

SIENNA RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2023

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended September 30, 2023 and 2022 have not been reviewed by the Company's external auditor.

SIENNA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

ASSETS	September 30, <u>2023</u>	December 31, <u>2022</u>
Current assets		
Cash and cash equivalents – Note 3	\$ 1,874,564	\$ 68,076
Receivables – Note 4	4,811	11,263
Prepaid expenses	40,942	2,820
Total current assets	1,920,317	82,159
Non-current assets		
Security deposits – Note 5	18,286	18,286
Exploration and evaluation assets – Note 5	1,938,934	1,097,526
Total assets	\$ 3,877,537	\$ 1,197,971
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities – Notes 6 and 10	\$ 18,850	\$ 205,085
Loans payable – Note 7	40,000	40,000
Total current liabilities	58,850	245,085
SHAREHOLDERS' EQUITY		
Share capital – Note 8	26,897,700	23,868,993
Reserves – Note 8	4,807,706	4,309,673
Accumulated deficit	(27,886,719)	(27,225,780)
Total shareholders' equity	3,818,687	952,886
Total liabilities and shareholders' equity	\$ 3,877,537	\$ 1,197,971

Nature and Continuance of Operations (Note 1)

Subsequent Events (Note 13)

APPROVED BY THE DIRECTORS:

<u>“Dennis Alderink”</u> Dennis Alderink	Director	<u>“Jason Gigliotti”</u> Jason Gigliotti	Director
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SIENNA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Operating expenses				
Consulting	\$ 690	\$ -	\$ 690	\$ -
Corporate branding	25,679	-	34,012	2,000
Management fees – Note 10	43,500	43,500	140,500	130,500
Office and miscellaneous	13,097	43,038	47,662	74,735
Professional fees – Note 10	15,566	14,544	46,718	38,875
Resource expenses	210	-	210	13,453
Shareholder information	6,481	4,200	17,035	21,285
Share-based payments – Notes 8 and 10	105,863	-	395,867	-
Transfer agent and filing fees	8,004	3,474	18,216	14,845
Travel	5,107	2,811	17,254	12,427
	(224,197)	(111,567)	(718,164)	(308,120)
Interest expense – Note 7	-	(959)	-	(2,808)
Interest income	23,334	271	57,725	814
Other income on settlement of flow-through share premium	-	-	-	210
Write-down of exploration and evaluation assets – Note 5	-	-	-	(725,593)
	23,334	(688)	57,725	(727,377)
Loss and comprehensive loss for the period	\$ (200,863)	\$ (112,255)	\$ (660,939)	\$ (1,035,497)
Loss per share – basic and diluted – Note 9	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted – Note 9	187,415,490	125,113,316	171,917,016	124,676,173

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

SIENNA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Nine months ended September 30,	
	<u>2023</u>	<u>2022</u>
Operating Activities		
Loss for the period	\$ (660,939)	\$ (1,035,497)
Adjustments for non-cash items:		
Accrued interest on loans payable	-	2,808
Other income on settlement of flow-through share premium	-	(210)
Share-based payments	395,867	-
Write-down of exploration and evaluation assets	-	725,593
Changes in non-cash working capital items:		
Receivables	6,452	6,975
Prepaid expenses	(38,122)	(1,708)
Accounts payable and accrued liabilities	(154,050)	15,881
Cash used in operating activities	(450,792)	(286,158)
Investing Activities		
Security deposits	-	(7,924)
Exploration and evaluation assets	(473,593)	(315,024)
Cash used in investing activities	(473,593)	(322,948)
Financing Activities		
Proceeds from issuance of share capital	2,907,500	14,000
Share issue costs	(176,627)	-
Cash provided by financing activities	2,730,873	14,000
Change in cash and cash equivalents during the period	1,806,488	(595,106)
Cash and cash equivalents, beginning of the period	68,076	759,191
Cash and cash equivalents, end of the period	\$ 1,874,564	\$ 164,085

Supplemental Disclosure with Respect to Cash Flows (Note 12)

SIENNA RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

Share Capital

	Number of shares	Amount	Reserves	Accumulated deficit	Total
Balance, December 31, 2021	123,923,316	\$ 23,713,111	\$ 4,311,555	\$ (26,068,498)	\$ 1,956,168
Share purchase warrants exercised	190,000	14,000	-	-	14,000
Transfer of reserves on broker warrants exercised	-	1,882	(1,882)	-	-
Shares issued for exploration and evaluation assets	1,000,000	80,000	-	-	80,000
Loss for the period	-	-	-	(1,035,497)	(1,035,497)
Balance, September 30, 2022	125,113,316	23,808,993	4,309,673	(27,103,995)	1,014,671
Shares issued for exploration and evaluation assets	1,000,000	60,000	-	-	60,000
Loss for the period	-	-	-	(121,785)	(121,785)
Balance, December 31, 2022	126,113,316	23,868,993	4,309,673	(27,225,780)	952,886
Shares issued for private placement	58,150,000	2,907,500	-	-	2,907,500
Share issued costs	-	(176,627)	-	-	(176,627)
Broker warrants issued for private placement	-	(102,166)	102,166	-	-
Share-based payments	-	-	395,867	-	395,867
Shares issued for exploration and evaluation assets	10,000,000	400,000	-	-	400,000
Loss for the period	-	-	-	(660,939)	(660,939)
Balance, September 30, 2023	194,263,316	\$ 26,897,700	\$ 4,807,706	\$ (27,886,719)	\$ 3,818,687

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

SIENNA RESOURCES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2023 – Page 1

1. NATURE AND CONTINUANCE OF OPERATIONS

Sienna Resources Inc. (the “Company”) was incorporated on March 11, 1983, under the British Columbia Company Act. The Company is an exploration stage public company and is listed on the TSX Venture Exchange (“Exchange”). The Company’s principal business activities include acquiring and exploring exploration and evaluation assets. At September 30, 2023, the Company had exploration and evaluation assets located in Canada and the U.S.A.

The Company’s head office and principal business address is Suite 2905, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1K8. The Company’s registered and records office is located at 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At September 30, 2023, the Company had not yet achieved profitable operations, incurred a loss of \$660,939 during the nine months ended September 30, 2023 and had an accumulated deficit of \$27,886,719 since its inception. The Company expects to incur further losses in the development of its business. The Company estimates it has sufficient capital for the next 12 months or longer.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS34”) as issued by the International Accounting Standards Board (“IASB”). Therefore, these condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s most recently issued audited financial statements for the year ended December 31, 2022, which includes information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies, use of judgements and estimates were presented in Note 2 and Note 3 of these audited financial statements, and have been consistently applied in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 16, 2023.

2. BASIS OF PREPARATION (continued)

b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

c) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The principal subsidiaries of the Company as of September 30, 2023 are as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest September 30, 2023	Ownership Interest December 31, 2022
Sienna Resources Sweden AB	Holding company	Sweden	100%	100%
Sienna Resources (US) Inc.	Holding company	USA	100%	100%

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies and include the following components:

	September 30, <u>2023</u>	December 31, <u>2022</u>
Cash at bank in Canadian dollars	\$ 366,797	\$ 23,542
Cash at bank in Sweden krona	7,767	10,034
Short-term deposits	1,500,000	34,500
	<u>\$ 1,874,564</u>	<u>\$ 68,076</u>

4. RECEIVABLES

The Company's receivables comprise of goods and services tax ("GST") and value-added tax ("VAT") receivable due from government taxation authorities.

	September 30, <u>2023</u>	December 31, <u>2022</u>
GST recoverable	\$ 4,371	\$ 10,823
VAT recoverable	440	440
Total receivables	<u>\$ 4,811</u>	<u>\$ 11,263</u>

All amounts are short-term and the net carrying value of receivables is considered a reasonable approximation of fair value. The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against receivables. The Company's receivables are all considered current and are not past due or impaired. The Company does not possess any collateral related to these assets.

5. EXPLORATION AND EVALUATION ASSETS

	YK White Gold	ON Marathon North Palladium – Platinum Property	Nevada Blue Clay Lithium Project	Nevada Clayton Valley Deep Basin Lithium Brine Project	Nevada Elko Lithium Project	Nevada Silver Peak South Lithium Project	Finland Kuusamo PGE-Ni-Cu- Co Project	Norway Bleka Gold Project	Total
Balance, December 31 2021	\$ 5,290	\$ 153,496	\$ 274,168	\$ 106,321	\$ -	\$ -	\$ 205,944	\$ 541,218	\$ 1,286,437
Acquisition costs	-	-	187,141	-	-	10,000	-	-	197,141
Deferred exploration expenditures									
Assay	-	5,713	10,794	-	-	-	-	-	16,507
Claim maintenance fees	210	-	47,414	14,132	-	-	-	-	61,756
Drilling	-	-	171,913	-	-	-	-	-	171,913
Geological consulting	-	5,325	16,308	700	-	-	1,281	-	23,614
Geological report	-	1,680	11,834	-	-	-	-	-	13,514
Reclamation	-	-	14,404	-	-	-	-	-	14,404
Survey	-	53,000	-	-	-	-	-	-	53,000
Travel and miscellaneous	-	2,781	10,402	-	-	-	-	-	13,183
Advance for exploration	-	-	-	-	-	-	(27,577)	-	(27,577)
Write-down of exploration and evaluation assets	(5,500)	-	-	-	-	-	(179,648)	(541,218)	(726,366)
Balance, December 31, 2022	-	221,995	744,378	121,153	-	10,000	-	-	1,097,526
Acquisition costs	-	-	-	-	499,613	250,000	-	-	749,613
Deferred exploration expenditures									
Claim maintenance fees	-	-	34,233	13,504	18,228	19,752	-	-	85,717
Geological consulting	-	270	-	-	-	-	-	-	270
Travel and miscellaneous	-	862	3,126	-	-	1,820	-	-	5,808
Balance, September 30, 2023	<u>\$ -</u>	<u>\$ 223,127</u>	<u>\$ 781,737</u>	<u>\$ 134,657</u>	<u>\$ 517,841</u>	<u>\$ 281,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,938,934</u>

5. EXPLORATION AND EVALUATION ASSETS (continued)

Title to Mineral Property Interests

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers, and rights of ownership may be affected by undetected defects.

Marathon North Palladium-Platinum Property, Ontario – Staking

In January 2020, the Company acquired a 100% interest in certain mining claims in Northern Ontario for staking costs of \$15,700.

Blue Clay Lithium Project, Nevada, U.S.A. – Option Agreement

On September 30, 2021, the Company entered into an option agreement (the “Blue Clay Agreement”) with an arm’s length party (the “Seller”), whereby the Seller granted an option to the Company to acquire a 100% interest in certain mineral claims (the “Blue Clay Lithium Project”) located in the Esmeralda County in the Clayton Valley of Nevada, USA. In consideration, the Company is required to the following:

- Pay \$30,000 and issue 2,000,000 common shares (paid & issued at a value of \$220,000) to the Seller within five days of Exchange approval;
- Pay \$30,000 and issue 1,000,000 common shares (paid & issued at a value of \$80,000) to the Seller prior to the date that is six months from the date of Exchange approval; and
- Issue 1,000,000 common shares (issued at a value of \$60,000) to the Seller prior to the date that is twelve months from the date of Exchange approval.

The Seller will retain a 1.5% NSR Royalty on this property. The Company will have the right to purchase 0.75% of the NSR Royalty for \$500,000 at any time up to the commencement of production.

During the year ended December 31, 2022, the Company acquired a 100% interest in certain mineral claims for staking costs of \$17,141 to expand the size of its Blue Clay Lithium Project. The Company provided two security deposits for a total of \$18,286 in relation to the Blue Clay Lithium Project.

Clayton Valley Deep Basin Lithium Brine Project, Nevada, U.S.A. – Staking

In May 2016, the Company acquired a 100% interest in certain mineral claims of the Clayton Valley Deep Basin Lithium Brine Project in Nevada, U.S.A., for staking costs of \$23,609.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Elko Lithium Project, Nevada, U.S.A. – Option Agreement

On August 16, 2023, the Company entered into an option agreement (the “Elko Agreement”) with an arm’s length party (the “Optionor”), whereby the Optionor granted an option to the Company to acquire a 100% interest in certain mineral claims (the “Elko Lithium Project”) located in Elko County, Nevada, USA. In consideration, the Company is required to the following:

- Pay \$92,000 and issue 10,000,000 common shares (paid & issued at a value of \$400,000) to the Optionor within five days of all applicable approvals;
- Issue 3,000,000 common shares to the Optionor within 10 days of drilling a hole that returns drilling results evidencing at least 1,000 ppm anywhere in the hole; and
- Issue 3,000,000 common shares to the Optionor within 10 days of receiving a technical report (in compliance with NI 43-101) by an acceptable and accredited third party evidencing a minimum of 1,000,000 LLC with a 300 ppm cutoff.

Silver Peak South Lithium Project, Nevada, U.S.A. – Option Agreement

On December 14, 2022, the Company entered into an option agreement (the “Silver Peak Agreement”) with an arm’s length party (the “Optionor”), whereby the Optionor granted an option to the Company to acquire a 100% interest in certain mineral claims (the “Silver Peak South Lithium Project”) located in Clayton Valley of Nevada, USA. In consideration, the Company is required to the following:

- Pay \$10,000 (paid) to the Optionor within five days of all applicable approvals;
- Pay \$100,000 (paid) to the Optionor prior to the date that is six months after the date of signing the Silver Peak Agreement; and
- Pay \$150,000 (paid) to the Optionor prior to the date that is twelve months after the date of signing the Silver Peak Agreement.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities recognized in the statements of financial position consist of the following:

	September 30, <u>2023</u>	December 31, <u>2022</u>
Trade payables	\$ 6,136	\$ 158,558
Accrued liabilities	12,714	46,527
Total accounts payable and accrued liabilities	<u>\$ 18,850</u>	<u>\$ 205,085</u>

7. LOANS PAYABLE

On May 6, 2020, the Company received the Canada Emergency Business Account (“CEBA”) loan which is an interest-free loan to cover operating costs. The CEBA loan was launched by the government of Canada to support businesses by providing financing for their expenses that cannot be avoided or deferred, and assisting businesses for successful relaunch when the economy recovers from COVID-19. Repaying the balance of the loan on or before December 31, 2023 will result in a loan forgiveness of \$10,000. Pursuant to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, the benefit of a government loan at below-market rate is treated as a government grant and measured in accordance with IFRS 9 Financial Instruments: the benefit of below-market rate shall be measured as the difference between initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of the CEBA Loan at \$30,671, using a discount rate of 10%, which was the estimated rate for a similar loan without interest-free component. The difference of \$9,329 has been accredited to the loan liability of the CEBA Loan and offset to other income on the statement of loss and comprehensive loss.

Balance at December 31, 2021	\$	36,208
Finance expense		3,792
Balance at December 31, 2022 and September 30, 2023	\$	40,000

8. SHARE CAPITAL AND RESERVES

Authorized: An unlimited number of common shares, without par value
100,000,000 Class A preferred shares, par value \$10
100,000,000 Class B preferred shares, par value \$50

(a) Private placements

Nine months ended September 30, 2023:

In March 2023, the Company closed a non-brokered private placement consisting of 58,150,000 units at a price of \$0.05 per unit for gross proceeds of \$2,907,500. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of \$0.08 per share for a five-year term. In connection with this private placement, the Company paid cash finder’s fee of \$151,430, finance fee of \$2,500, filing and legal fees of \$22,697, and issued 2,994,600 broker warrants exercisable at \$0.08 per share for a two-year term. The broker warrants were valued at \$102,166 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 121.3%, risk-free interest rate 4.22% and an expected life of two years.

Nine months ended September 30, 2022:

During the nine months ended September 30, 2022, the Company did not close any private placements.

8. SHARE CAPITAL AND RESERVES (continued)

(b) Share purchase warrants

The following is a summary of changes in share purchase warrants from December 31, 2021 to September 30, 2023:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Balance, December 31, 2021	47,738,088	\$0.14
Exercised	<u>(190,000)</u>	\$0.07
Balance, December 31, 2022	47,548,088	\$0.14
Issued	61,144,600	\$0.08
Expired	<u>(13,110,800)</u>	\$0.30
Balance, September 30, 2023	<u>95,581,888</u>	\$0.08

At September 30, 2023, the Company had 95,581,888 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
3,208,000	\$0.05	July 2, 2024
31,229,288	\$0.08	August 14, 2025
2,646,000	\$0.08	February 27, 2025
348,600	\$0.08	March 27, 2025
47,870,000	\$0.08	February 27, 2028
<u>10,280,000</u>	\$0.08	March 27, 2028
<u>95,581,888</u>		

(c) Share-based payments

The Company has an Omnibus Incentive Plan (the “Plan”) effective December 2022, which superseded a previous stock option plan. The Plan provides the grant of stock options, restricted share units (“RSUs”), deferred share units (“DSUs”), and performance share units (“PSUs”). The Plan is a rolling plan for stock options and a fixed plan for RSUs, DSUs, and PSUs such that the aggregate number of common shares that: (i) may be issued upon the exercise or settlement of stock options granted under the Plan, shall not exceed 10% of the Company’s issued and outstanding common shares from time to time, and (ii) may be issued in respect of RSUs, DSUs, and PSUs granted under the Plan, shall not exceed 12,511,332.

Stock options

In accordance with the Plan, the exercise price of each option granted shall not be less than the Discounted Market Price (as that term is defined in the policies of the Exchange). Options may be granted for a maximum term of ten years and vesting periods are determined by the board of directors.

8. SHARE CAPITAL AND RESERVES (continued)

(c) Share-based payments (continued)

The following is a summary of changes in share purchase options from December 31, 2021 to September 30, 2023:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Outstanding and exercisable, December 31, 2021	7,800,000	\$0.13
Expired	<u>(7,800,000)</u>	\$0.13
Outstanding and exercisable, December 31, 2022	Nil	
Granted	<u>5,900,000</u>	\$0.05
Outstanding and exercisable, September 30, 2023	<u><u>5,900,000</u></u>	\$0.05

As of September 30, 2023, 5,900,000 share purchase options were outstanding entitling the holders thereof the right to purchase one common share of the Company for each option held at an exercise price of \$0.05 until January 20, 2024.

During the nine months ended September 30, 2023, the Company granted 5,900,000 stock options with an exercise price of \$0.05 and an expiry date of January 20, 2024 (nine months ended September 30, 2022: Nil stock options were granted). The weighted average fair value of the options issued during the nine months ended September 30, 2023 was estimated at \$0.02 per option at the grant date using the Black-Scholes option pricing model with the following assumptions:

	<u>Nine months ended September 30, 2023</u>	<u>Nine months ended September 30, 2022</u>
Weighted average expected dividend yield	0.0%	N/A
Weighted average expected volatility*	132.1%	N/A
Weighted average risk-free interest rate	3.78%	N/A
Weighted average expected term	1 year	N/A

* Expected volatility has been based on historical volatility of the Company's publicly traded shares.

RSUs

In accordance with the Plan, the Company may grant RSUs to eligible participants that do not perform investor relations activities. The number of RSUs awarded and underlying vesting terms are determined by the board of directors in its discretion. No RSUs may vest before the date that is one year following the grant date.

As soon as practicable after each vesting date of a RSU, the Company shall, at the sole discretion of the board of directors, either: (a) issue to the participant from treasury the number of common shares equal to the number of RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Price (as defined in the Plan) on the next trading day after the vesting date of the RSUs, net of applicable withholdings.

8. SHARE CAPITAL AND RESERVES (continued)

(c) Share-based payments (continued)

The following is a summary of changes in RSUs from December 31, 2021 to September 30, 2023:

	<u>Number</u>
Outstanding, December 31, 2021 and 2022	-
Granted	<u>10,500,000</u>
Outstanding, September 30, 2023	<u>10,500,000</u>

Nine months ended September 30, 2023:

On January 20, 2023, the Company granted 10,500,000 RSUs to its officers, directors and consultants, whereby 100% of the RSUs vests in one year from date of grant.

The RSUs are valued at the fair market value of the Company's stocks on the date of grant. Accordingly, 10,500,000 RSUs were granted at a value of \$0.04 for a value of \$420,000, which are being recognized as share-based payments over the vesting periods.

Total expenses arising from share-based payment transactions recognized during the nine months ended September 30, 2023 were \$395,867 (nine months ended September 30, 2022: \$Nil), of which \$291,123 (nine months ended September 30, 2022: \$Nil) was attributable to vesting of RSUs granted during the period with the remaining portion of share-based payment expense being attributable to the vesting of stock options, as described above.

9. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

	Nine months ended September	
	<u>2023</u>	<u>2022</u>
Net Loss	\$ (660,939)	\$ (1,035,497)
Weighted average number of common shares for the purpose of basic and diluted loss per share	171,917,016	124,676,173

Basic loss per share is computed by dividing loss by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants currently issued (see Note 8) were anti-dilutive for the nine months ended September 30, 2023 and 2022.

Basic and diluted loss per share for the nine months ended September 30, 2023 was \$(0.00) (nine months ended September 30, 2022: \$(0.01)).

10. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the actions of the Company and its subsidiaries as a whole. Their remuneration includes the following:

	Nine months ended September 30,	
	<u>2023</u>	<u>2022</u>
Management fees	\$ 140,500	\$ 130,500
Professional fees	37,000	28,590
Share-based payments *	<u>272,274</u>	<u>-</u>
	<u>\$ 449,774</u>	<u>\$ 159,090</u>

* Share-based payments are the fair value of options and RSUs granted to key management personnel as at the grant date.

Related party balances

At September 30, 2023, accounts payable and accrued liabilities include \$4,664 (December 31, 2022: \$101,043) payable to one director of the Company and one public company with certain directors in common for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

11. SEGMENTAL REPORTING

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's exploration and evaluation assets are distributed by geographic location as follows:

	September 30, <u>2023</u>	December 31, <u>2022</u>
Canada	\$ 223,127	\$ 221,995
U.S.A.	1,715,807	875,531
	<u>\$ 1,938,934</u>	<u>\$ 1,097,526</u>

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows. The following transactions were excluded from the statements of cash flows:

Nine months ended September 30, 2023:

- a) The Company issued 10,000,000 common shares to the Optionor valued at \$400,000 pursuant to the Elko Agreement.

Nine months ended September 30, 2022:

- b) The Company issued 1,000,000 common shares to the Seller valued at \$80,000 pursuant to the Blue Clay Agreement.

13. SUBSEQUENT EVENTS

Subsequent to September 30, 2023, the following occurred:

- a) 300,000 share purchase warrants were exercised into common shares at a price of \$0.05 per share for gross proceeds of \$15,000; and
- b) 800,000 stock options were exercised into common shares at a price of \$0.05 per share for gross proceeds of \$40,000.