

Thunderbird Minerals Corp.

Financial Statements

For the year ended December 31, 2023 and period from November 25, 2022 to December 31, 2022

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Thunderbird Minerals Corp.

Opinion

We have audited the financial statements of Thunderbird Minerals Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive loss, changes in equity and cash flows for the year ended December 31, 2023 and the period from November 25, 2022 to December 31, 2022, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the year ended December 31, 2023 and the period from November 25, 2022 to December 31, 2022 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Matthew Gosden.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 29, 2024

Thunderbird Minerals Corp.
 Statements of Financial Position
 (Expressed in Canadian Dollars)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		\$ 504,079	\$ 100
GST receivable		3,803	-
Prepaid expenses and deposits		8,888	-
		516,770	100
Non-current assets			
Exploration and evaluation assets	3	870,489	-
TOTAL ASSETS		\$ 1,387,259	\$ 100
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	5	\$ 24,392	\$ -
Flow-through share liability	6	9,227	-
TOTAL LIABILITIES		33,619	-
EQUITY			
Share capital	4	1,604,814	100
Share-based payment reserve	4	145,336	-
Deficit		(396,510)	-
TOTAL EQUITY		1,353,640	100
TOTAL LIABILITIES AND EQUITY		\$ 1,387,259	\$ 100

Nature of Operations and Going Concern (Note 1)

Approved on Behalf of the Board on April 29, 2024

"James Atherton"

Director

"John Newell"

Director

The accompanying notes are an integral part of these financial statements.

Thunderbird Minerals Corp.
 Statements of Comprehensive Loss
 (Expressed in Canadian Dollars)

	Note	For the year ended December 31, 2023	Period from November 25, 2022 to December 31, 2022
Expenses			
Consulting fees		\$ 54,500	\$ -
Investor relations		1,625	-
Listing and filing fees		31,965	-
Management fees	5	108,063	-
Office and miscellaneous		24,433	-
Professional fees	5	48,027	-
Share-based payment	4,5	145,336	-
		\$ (413,949)	\$ -
Other income			
Interest income		11,359	-
Recovery on flow-through share liability	6	6,080	-
		17,439	-
Net and comprehensive loss		\$ (396,510)	\$ -
Loss per share, basic and diluted			
		\$ (0.04)	\$ -
Weighted average number of common shares outstanding, basic and diluted		10,732,587	100

The accompanying notes are an integral part of these financial statements.

Thunderbird Minerals Corp.
Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital		Share-based payment Reserve	Deficit	Total
	Number of shares	Amount			
Balance at November 25, 2022	-	\$ -	\$ -	\$ -	\$ -
Shares issued on incorporation	100	100	-	-	100
Balance at December 31, 2022	100	100	-	-	100
Flow-through premium (Note 6)	-	(15,307)	-	-	(15,307)
Plan of Arrangement (Note 4)	9,837,188	1,095,218	-	-	1,095,218
Private placement, net issuance cost (Note 4)	5,167,832	524,803	-	-	524,803
Share-based payment	-	-	145,336	-	145,336
Comprehensive loss for the year	-	-	-	(396,510)	(396,510)
Balance at December 31, 2023	15,005,120	\$ 1,604,814	\$ 145,336	\$ (396,510)	\$ 1,353,640

The accompanying notes are an integral part of these financial statements.

Thunderbird Minerals Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended December 31, 2023	Period from November 25, 2022 to December 31, 2022
Operating activities		
Net loss	\$ (396,510)	\$ -
Share-based payment	145,336	-
Recovery on flow-through share liability	(6,080)	-
Changes in non-cash working capital:		-
GST receivable	(3,803)	-
Prepaid expenses and deposits	(8,888)	-
Trade payables and accrued liabilities	24,392	-
Net cash flows used in operating activities	(245,553)	-
Investing activity		
Exploration and evaluation expenditures	(130,271)	-
Net cash flows used in investing activity	(130,271)	-
Financing activities		
Private placement, net of issuance cost	524,803	100
Cash received from the Arrangement	355,000	-
Net cash flows provided by Financing	879,803	100
Change in cash	503,979	100
Cash, beginning	100	-
Cash, ending	\$ 504,079	\$ 100
Interest received:	\$ 11,359	\$ -
Non-cash investing and financing activities:		
Exploration and evaluation assets received based on the Arrangement (Note 1)	\$ 740,218	\$ -

The accompanying notes are an integral part of these financial statements.

1. Nature of operations and going concern

Thunderbird Minerals Corp. (“Thunderbird” or the “Company”) was incorporated on November 25, 2022 under the laws of the province of British Columbia, Canada, focusing on acquiring and developing exploration and evaluation assets. It is a publicly traded company listed on the TSX Venture Exchange under the symbol “BIRD.V”. The Company adopted December 31 as its fiscal year end. The registered office of the Company is located 620 – 1111 Melville Street, Vancouver, British Columbia V6E 3V6.

On March 17, 2023, Golden Sky Minerals Corp. (“Golden Sky”) completed a plan of arrangement agreement (the “Arrangement”), whereby Golden Sky transferred its Bullseye, Eagle Mountain and Argo properties with a carrying value of \$740,218 and \$355,000 in cash to the Thunderbird, in consideration for 9,837,188 shares, which represented one-half (50%) of the then issued and outstanding number of Golden Sky shares at the effective time. Under the Arrangement, there were also special provisions for options and warrants holders of the Company as of the effective date pursuant to the Arrangement. Each Golden Sky warrant outstanding was amended to entitle the Golden Sky warrant holder to receive, for the original exercise price, one Golden Sky share and one-half of one Thunderbird share for each Golden Sky share that was issuable upon due exercise of the Golden Sky warrant immediately prior to the effective time, upon due exercise of the Golden Sky warrant. Golden Sky will pay Thunderbird \$0.11 for each Thunderbird warrant exercised.

The purpose of the Arrangement and the related transactions was to reorganize Golden Sky into two separate publicly traded companies: (a) Golden Sky, an exploration company focused on the Rayfield-Vidette-Mowich, Hotspot, Squid East and Luckystrike properties; and (b) Thunderbird, an exploration company focused on the Bullseye, Eagle Mountain and Argo properties.

On March 17, 2023, the 9,837,188 Thunderbird shares were distributed to Golden Sky shareholders (Note 4).

These financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company has no current source of revenues from operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand and the private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including the relations between NATO and the Russian Federation regarding the situation in Ukraine, the Israeli-Palestinian conflict in the Middle East, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

2. Material accounting policy information and basis of preparation

The financial statements were authorized for issuance on April 29, 2024, by the directors of the Company.

Statement of compliance

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

2. Material accounting policy information and basis of preparation (Continued)

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

Significant estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires management to make certain estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, the measurements for financial instruments and share-based payments, and the recoverability of deferred tax assets.

Critical judgments in applying accounting policies

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The following are the most significant judgments that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern, and the classification of evaluation and exploration assets.

Cash

Cash consists of cash on deposit.

Financial instruments

The Company classifies its cash and trade payables at amortized cost. Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

2. Material accounting policy information and basis of preparation (Continued)

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the common shares. If the proceeds from the offering are less than or equal to the estimated fair market value of common shares issued, no value is assigned to the warrants. Warrants that are issued as payment to a finder or other transaction costs are accounted for as share-based payments.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Share-based payments

The Company has a stock option plan. Share-based payments to employees are measured at the grant date at fair value and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserves. The fair value of stock options is determined using the Black-Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits and grants received are recorded as a reduction to the cumulative costs.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered from the successful development or by sale.

2. Material accounting policy information and basis of preparation (Continued)

Exploration and evaluation assets (continued)

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Impairment of assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Flow-through shares

On the issuance of flow-through shares, any premium received in excess of the market price of the Company's common shares is initially recorded as a liability ("flow-through tax liability"). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized to the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Foreign currencies

Transactions in foreign currencies are translated to the functional currency at exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate in effect at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the reporting year, adjusted for effective interest and payments during the reporting year, and the amortized cost in foreign currency translated at the exchange rate in effect at the end of the reporting year.

Income taxes

Income taxes comprises both current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the income tax is also recognized in other comprehensive income or directly in equity. Current income taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

2. Material accounting policy information and basis of preparation (Continued)

Income taxes (continued)

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized.

3. Exploration and evaluation assets

The following is a summary of the Company's exploration and evaluation assets:

Bull's Eye

The Bull's Eye Property is located in the Yukon Territory and was acquired by the Arrangement on March 17, 2023 (Note 1).

Eagle Mountain

The Eagle Mountain Property is located 80 kilometres to the northeast of Dease Lake, British Columbia. The Eagle Mountain Property was acquired by the Arrangement on March 17, 2023 (Note 1).

Argo Copper Gold

The Argo Copper Property is located in British Columbia and was acquired by the Arrangement on March 17, 2023 (Note 1).

Apache

The Apache property is located in California, United States of America, and on July 24, 2023 (the "Effective Date"), the property owner Bull Mountain Resources, LLC ("BMR") granted Thunderbird the right to use the Apache property for exploration and mining for a minimum of 50 years provided it continues to make the following preproduction payments:

Paying aggregate cash as below:	Expending a minimum of exploration expenditures on the property as below:
US\$28,000 upon signing of the agreement (the "Effective Date") (paid)	\$50,000 in Year 1
US\$10,000 6 months after the Effective Date	\$50,000 in Year 2
US\$10,000 12 months after the Effective Date	\$50,000 in Year 3
US\$15,000 18 months after the Effective Date	\$100,000 in Year 4 and every year thereafter
US\$15,000 24 months after the Effective Date	
US\$20,000 30 months after the Effective Date and every 6 months thereafter	

On achievement of production on the Apache Project, a production royalty of 2% of net smelter returns is payable on claims owned by BMR and newly located claims by Thunderbird within the area of interest. Also, 0.5% of net smelter returns is payable on third party claims and claims acquired within the area of influence, provided that a minimum production royalty of US\$20,000 is payable quarterly. On payment to BMR of US\$10,000,000 in any combination of pre-production payments, production royalties and minimum royalties, the production royalty on claims owned by BMR reduces to 1%, and on third party claims and claims acquired within the area of influence, the royalty reduces to 0.25%.

3. Exploration and evaluation assets (continued)

A continuity of the Company's exploration and evaluation assets for the year ended December 31, 2023 and the period ended December 31, 2022 is as follows:

Mineral property interests	Bull's Eye	Eagle Mountain	Argo Copper Gold	Apache	Total
Balance at November 25, 2022 and December 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition on Arrangement	450,311	146,211	143,696	-	740,218
Acquisition	-	-	-	79,063	79,063
Assessment	-	14,408	-	-	14,408
Exploration management	5,813	19,414	11,253	320	36,800
Balance at December 31, 2023	\$ 456,124	\$ 180,333	\$ 154,949	\$ 79,383	\$ 870,489

The Company has a 100% interest in the Bull's Eye, Eagle Mountain and Argo Gold exploration and evaluation properties without any royalties.

4. Share capital**Authorized share capital**

Unlimited number of common shares without par value.

Issued and outstanding:

As at December 31, 2023, there were 15,005,120 common shares issued and outstanding.

Issued share capital during the period ended December 31, 2022 and the year ended December 31, 2023

During the period ended December 31, 2022, the Company issued 100 shares on incorporation.

On March 17, 2023, the Company issued 9,837,188 shares as part of the Arrangement (Note 1). The shares were recorded based on the carrying amount of the assets received, which consisted of cash of \$355,000 and exploration and evaluation assets with a carrying value of \$740,218 (Note 3).

On June 9, 2023, the Company issued 765,332 flow-through units ("FT Unit") at a price of \$0.12 per share for gross proceeds of \$91,840 and 4,402,500 non-flow-through units ("NFT Unit") at a price of \$0.10 per share for gross proceeds of \$440,250. Each FT Unit consists of one common share of the Company to be issued on a "flow-through" basis pursuant to the *Income Tax Act (Canada)* and one-half of one common share purchase warrant with each full warrant entitling the holder to purchase one additional non-flow-through common share at a price of \$0.20 for a period of 24 months from the closing of the offering, being June 9, 2025. Each NFT Unit consists of one common share of the Company to be issued on a "non-flow-through" basis and one-half of one warrant. The Company incurred share issuance costs of \$7,287 in connection with this financing.

Obligation to issue shares under Golden Sky warrants

As at December 31, 2023, the Company had the following commitments to issue shares:

Expiry date	Exercise price	Number of warrants outstanding
December 18, 2024	\$ 0.11 ⁽¹⁾	6,830,230

4. Share capital (Continued)**Share purchase warrants (continued)**

- (1) As per the terms specified in the warrant provision of the Arrangement, when warrant holders of Golden Sky exercise their warrants, the Company is obligated to exercise Thunderbird warrants and issue shares to Golden Sky warrant holders. The Company will be compensated at a rate of \$0.11 by Golden Sky for every warrant exercised and share issued (Note 1).

Share purchase warrants

As at December 31, 2023, the Company had the following warrants outstanding:

Expiry date	Exercise price	Number of warrants outstanding
June 9, 2025	\$ 0.20	2,583,916

The following is a summary of the Company's warrants activities:

	Number of warrants	Weighted average exercise price
Balance, November 25, 2022 and December 31, 2022	-	-
Issued	2,583,916	\$ 0.20
Balance, December 31, 2023	2,583,916	\$ 0.20

As at December 31, 2023, the weighted average exercise price and weighted average life of the warrants are \$0.20 and 1.44 years, respectively.

Stock options

On January 23, 2023, the Company adopted the Stock Option Plan providing the granting of options to employees, officers, directors, consultants, and consulting companies. The maximum number of common shares issuable under Stock Option Plan shall not, in aggregate, exceed that number which is equal to 10% of the Shares which are issued and outstanding on the relevant Grant Date, to any Eligible Person within a 12 month period shall not exceed 5% of the Shares which are issued and outstanding on the relevant Grant Date and to any one Consultant within a 12 month period shall not exceed 2% of the Shares which are issued and outstanding on the relevant Grant Date. The options can be granted for a maximum term of 10 years.

On August 11, 2023, the Company granted stock options to directors, officers, employees, and consultants of the Company to purchase up to an aggregate 1,425,000 common shares of the Company. These stock options are exercisable at a price of \$0.12 per share, for a term of five years and vest immediately.

As at December 31, 2023, the Company had the following options outstanding and exercisable:

Date issued	Expiry date	Exercise price	Number of options outstanding	Number of options exercisable
August 11, 2023	August 1, 2028	\$ 0.12	1,425,000	1,425,000
			1,425,000	1,425,000

As at December 31, 2023, the weighted average life and weighted average exercise price of the exercisable options are 4.62 years and \$0.12, respectively.

Thunderbird Minerals Corp.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Year Ended December 31, 2023 and period from November 25, 2022 to December 31, 2022

4. Share capital (Continued)

Stock options (continued)

The following is a summary of the Company's stock option activities:

	Number of options	Weighted average exercise price
Balance, November 25, 2022 and December 31, 2022	-	\$ -
Granted	1,425,000	\$ 0.12
Cancelled/forfeited	-	\$ -
Balance December 31, 2023	1,425,000	\$ 0.12

During the year ended December 31, 2023, the Company recognized share-based payments of \$135,802 (2022 - \$nil) in the share-based payments reserve. Share-based payments expense is determined using the Black-Scholes option pricing model. The expected volatilities used for the stock options granted are based on the historical share price of the comparable company.

Assumptions used in calculating the fair value of share-based payments expense are as follows:

	Year Ended, December 31, 2023
Risk-free interest rate	3.99%
Dividend yield	-
Expected volatility	149.15%
Expected life (years)	5

Charity Options

On August 15, 2023, the Company granted 100,000 charitable stock options to The Singh Foundation. These options are exercisable at a price of \$0.12 per share, for a term of five years and vest immediately.

As at December 31, 2023, the weighted average life and weighted average exercise price of the exercisable options are 4.63 years and \$0.12.

During the year ended December 31, 2023, the Company recognized share-based payments of \$9,534 (2022 - \$nil) in the share-based payments reserve. Share-based payments expense is determined using the Black-Scholes option pricing model. The expected volatilities used for the clarity options granted are based on the historical share price of the comparable company.

Assumptions used in calculating the fair value of share-based payments expense are as follows:

	Year Ended, December 31, 2023
Risk-free interest rate	4.10%
Dividend yield	-
Expected volatility	149.22%
Expected life (years)	5

5. Related party transactions**Key personnel compensation**

Key personnel consist of the officers and directors who are responsible for planning, directing and controlling the activities of the Company. The following expenses were incurred by the Company's key personnel:

	Year ended December 31, 2023	Period from November 25, 2022 to December 31, 2022
Key management personnel compensation		
Management fees and accounting fees incurred to a company that employs the chief finance officer of the Company	\$ 63,063	\$ -
Management fees incurred to the chief executive officer of the Company	45,000	-
Directors' fees paid to the independent directors of the Company	9,000	-
Share based payment	63,850	-
Total	\$ 180,913	\$ -

As at December 31, 2023, the Company owes the chief executive office \$1,630 (2022 - \$nil) which is payable on demand, does not bear interest and is unsecured.

During the year ended December 31, 2023, the Company incurred \$3,212 in shares issuance costs paid to a law and technology firm in which James Atherton, a director of the Company, is a partner.

Equity transactions with related parties:

On June 9, 2023, the Company issued 100,000 Units at a price of \$0.10 and 290,000 FT Units at a price of \$0.12 to the President and CEO of the Company for gross proceeds of \$44,800. Each unit consists of one common share of the Company and half common share purchase warrant, with each warrant being exercisable for an additional common share of the Company at \$0.20 for 24 months from date of issuance. Each FT Unit consists of one flow-through share and half common share purchase warrant, with each warrant being exercisable at \$0.20 for a common share of the Company for 24 months from date of issuance.

6. Flow-through share liability

	Year ended December 31, 2023	Period from November 25, 2022 to December 31, 2022
Balance, beginning	\$ -	\$ -
Liability incurred on flow-through shares issued	15,307	-
Recovery on flow-through share liability	(6,080)	-
Balance, ending	\$ 9,227	\$ -

On June 09, 2023, the Company issued 765,332 Units for gross proceeds of \$91,840. The Company recorded a premium liability of \$15,307. During the year ended December 31, 2023, the Company incurred \$36,480 of qualifying expenditures resulting in a recovery of flow-through share liability of \$6,080 being recognized on the statement of comprehensive loss.

7. Financial instruments

As at December 31, 2023, the Company's financial instruments consist of cash and trade payables. The fair values of these financial instruments approximate their carrying values due to their current nature.

7. Financial instruments (continued)

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable market data.

The Company is exposed in different degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. Cash is held with the same financial institution giving rise to a concentration of credit risk. This risk is managed using a major Canadian bank that is a high credit quality financial institution.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company's sole source of funding is expected to be the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. As of December 31, 2023, the Company had a working capital surplus of \$483,151 (December 31, 2022 - \$100). All of the Company's financial liabilities are due within one year.

Foreign exchange risk

Foreign exchange risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate, as they are denominated in currencies that differ from the respective functional currency. The Company does incur expenditures that are denominated in foreign currencies and does have mineral property Apache (Note 3) commitments that are denominated in foreign currencies. The Company has a portion of its operating expenses in US dollars. The Company has not entered into foreign exchange derivative contracts.

Interest rate risk

Interest rate risk refers to the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as cash earns interest income at variable rates. The fair value of cash is minimally affected by changes in short-term interest rates.

Capital management

The Company manages its capital, consisting of share capital and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow

Thunderbird Minerals Corp.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Year Ended December 31, 2023 and period from November 25, 2022 to December 31, 2022

7. Financial instruments (continued)

Capital management (continued)

analyses to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions. There were no changes in the Company's approach to capital management during the year.

8. Income Tax

The Company made no provision for income tax liability for the period from November 25, 2022 to December 31, 2022 and for the year ended December 31, 2023.

	Year ended December 31, 2023	Period from November 25, 2022 to December 31, 2022
Net loss before tax for the year	\$ (396,510)	\$ -
Statutory tax rate	27%	27%
Expected income tax (recovery)	\$ (107,058)	\$ -
Non-deductible items	37,890	-
Impact of flow through shares	9,850	-
Share issue costs	(1,967)	-
Change in unrecognized deferred assets	61,286	-
Total income tax expense (recovery)	\$ -	\$ -

The Company's deferred income tax assets and liabilities are estimated as follows:

	December 31, 2023	December 31, 2022
Deferred Tax Assets (liabilities)		
Share issuance costs	\$ 1,574	\$ -
Non-capital losses	69,561	-
Exploration and evaluation assets	(9,849)	-
Net deferred tax assets (liabilities)	61,286	-
Deferred tax assets net recognized	(61,286)	-
Net deferred tax assets (liabilities) recognized	\$ -	\$ -

The Company has non-capital losses of \$257,364 which expire in the years 2043, and resource pools of 834,009 relating to exploration and development costs that may be carried forward indefinitely.