

GOLDBANK MINING CORPORATION

Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Goldbank Mining Corporation

Opinion

We have audited the consolidated financial statements of Goldbank Mining Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of operations and comprehensive loss, changes in shareholders' deficit, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits 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 Consolidated 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 consolidated 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 in the consolidated financial statements, which indicates that the Company did not generate any revenues and incurred negative cash flow from operations during the year ended December 31, 2023 and, as of that date, the Company has a working capital deficit of \$11,931,083 and an accumulated deficit of \$37,625,985. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no 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 the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated financial statements of the current period and 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 Lonny Wong.

A handwritten signature in black ink that reads "Saturna Group LLP". The signature is written in a cursive, flowing style.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

April 29, 2024

GOLDBANK MINING CORPORATIONConsolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2023 \$	December 31, 2022 \$
Assets		
Current assets		
Cash	21,922	44,925
Investments (Note 3)	164,294	187,989
Amounts receivable	70,689	54,637
Prepaid expenses	–	336
Total current assets	256,905	287,887
Non-current assets		
Property and equipment (Note 4)	8,262	11,363
Exploration and evaluation assets (Note 5)	5,823,706	5,430,340
Total non-current assets	5,831,968	5,441,703
Total assets	6,088,873	5,729,590
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	12,026,476	11,805,385
Loan payable	5,000	–
Due to related parties (Note 7)	156,512	139,362
Total liabilities	12,187,988	11,944,747
Shareholders' deficit		
Share capital (Note 8)	28,463,743	25,963,743
Warrants reserve	300,000	300,000
Equity reserve (Note 9 and 10)	2,763,127	2,285,859
Deficit	(37,625,985)	(34,764,759)
Total shareholders' deficit	(6,099,115)	(6,215,157)
Total liabilities and shareholders' deficit	6,088,873	5,729,590

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on April 29, 2024:

"James Boyce"

James Boyce, Director

"John Brydle"

John Brydle, Director

(The accompanying notes are an integral part of these consolidated financial statements)

GOLDBANK MINING CORPORATIONConsolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended December 31, 2023 \$	Year ended December 31, 2022 \$
Expenses		
Accounting and audit (Note 7)	26,653	27,646
Corporate administration (Note 7)	65,949	30,410
Depreciation	3,101	2,313
Interest and bank charges (Note 7)	2,028,470	1,967,622
Investor relations (Note 7)	20,125	44,838
Management fees (Note 7)	81,700	82,000
Office and miscellaneous	59,012	33,476
Property investigation costs (Note 7)	16,800	22,637
Rent (Note 7)	27,600	27,600
Share based compensation (Note 10)	477,268	–
Transfer agent and regulatory fees	30,853	25,011
Total expenses	2,837,531	2,263,553
Loss before other expense	(2,837,531)	(2,263,553)
Other expense		
Unrealized loss on investments (Note 3)	(23,695)	(161,396)
Net loss and comprehensive loss for the year	(2,861,226)	(2,424,949)
Loss per share, basic and diluted	(0.02)	(0.02)
Weighted average shares outstanding	140,680,189	98,306,217

(The accompanying notes are an integral part of these consolidated financial statements)

GOLDBANK MINING CORPORATION

Consolidated Statements of Changes in Shareholders' Deficit
(Expressed in Canadian dollars)

	Share capital		Warrants reserve \$	Share-based payment reserve \$	Deficit \$	Total shareholders' deficit \$
	Number of shares	Amount \$				
Balance, December 31, 2021	89,922,655	24,163,743	–	2,285,859	(32,339,810)	(5,890,208)
Non flow-through units issued for cash	23,571,431	1,414,286	235,714	–	–	1,650,000
Flow-through units issued for cash	6,428,569	385,714	64,286	–	–	450,000
Net loss for the year	–	–	–	–	(2,424,949)	(2,424,949)
Balance, December 31, 2022	119,922,655	25,963,743	300,000	2,285,859	(34,764,759)	(6,215,157)
Non flow-through units issued for cash	20,000,000	1,000,000	–	–	–	1,000,000
Flow-through units issued for cash	30,000,000	1,500,000	–	–	–	1,500,000
Fair value of stock options granted	–	–	–	477,268	–	477,268
Net loss for the year	–	–	–	–	(2,861,226)	(2,861,226)
Balance, December 31, 2023	169,922,655	28,463,743	300,000	2,763,127	(37,625,985)	(6,099,115)

(The accompanying notes are an integral part of these consolidated financial statements)

GOLDBANK MINING CORPORATIONConsolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended December 31, 2023 \$	Year ended December 31, 2022 \$
Operating activities		
Net loss for the year	(2,861,226)	(2,424,949)
Items not involving cash:		
Depreciation	3,101	2,313
Share based compensation	477,268	–
Unrealized loss on investments	23,695	161,396
Changes in non-cash operating working capital:		
Amounts receivable	(16,052)	(21,436)
Prepaid expenses	336	–
Accounts payable and accrued liabilities	142,595	212,748
Due to related parties	17,150	15,219
Net cash used in operating activities	(2,213,133)	(2,054,739)
Investing activities		
Exploration and evaluation asset expenditures	(314,870)	(4,897)
Purchase of property and equipment	–	(7,000)
Net cash used in investing activities	(314,870)	(11,897)
Financing activities		
Repayment of loan payable	–	(8,075)
Proceeds from loan payable	5,000	–
Proceeds from issuance of units	2,500,000	2,100,000
Net cash provided by financing activities	2,505,000	2,091,925
Change in cash	(23,003)	25,289
Cash, beginning of year	44,925	19,636
Cash, end of year	21,922	44,925
Non-cash investing and financing activities:		
Exploration and evaluation asset expenditures included in accounts payable	78,496	284,971

(The accompanying notes are an integral part of these consolidated financial statements)

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Goldbank Mining Corporation (the “Company”) was incorporated in the province of British Columbia on August 22, 1967. The Company is listed on the TSX Venture Exchange, under the symbol GLB. The Company’s registered address is located at Suite 702, 889 West Pender Street, Vancouver, BC, V6C 3B2.

The Company is an exploration stage company in the process of exploring its mineral property in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts spent for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its property, and upon future profitable production or proceeds from disposition of the properties. The operations of the Company will require various licences and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. For the year ended December 31, 2023, the Company has not generated any revenues and incurred negative cash flow from operations. As at December 31, 2023, the Company has a working capital deficit of \$11,931,083 and an accumulated deficit of \$37,625,985. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is pursuing additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policies

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) on a going concern basis.

These consolidated financial statements include the accounts of the Company and its wholly-owned Canadian subsidiary, Goldbank Eastern Klondike Properties Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(b) Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include useful life and recoverability of property and equipment, recoverability of exploration and evaluation assets, fair value of share-based compensation, fair value of investments, determination of flow-through share premiums, and unrecognized deferred income tax assets. Actual results could differ from those estimates.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Property and Equipment

The Company depreciates the cost of property and equipment over their estimated useful lives at the following annual rates:

Automotive	30%	declining balance basis
Furniture	20%	declining balance basis

(e) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(f) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to the consolidated statement of operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability; and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant, and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Mineral Property Options

The Company does not record any expenditures made by the optionee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation option arrangements but re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the optionee is credited against costs previously capitalized.

(g) Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the consolidated statement of operations.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the consolidated statement of operations.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(h) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit-of-production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the consolidated statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(i) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statement of operations.

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost
Due to related parties	Amortized cost

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(i) Financial Instruments (continued)

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(i) Financial Instruments (continued)

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(j) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(k) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through the consolidated statement of operations with a pro-rata portion of the deferred premium.

(l) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The fair value of the options is measured at the grant date using the Black-Scholes option pricing model. The fair value is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are satisfied with a corresponding increase in equity. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. When the options are exercised, any proceeds received are credited to share capital along with the amount reflected in share-based payment reserve.

(m) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at December 31, 2023, the Company had 91,026,000 (2022 – 34,030,000) potentially dilutive shares outstanding.

(n) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(o) Accounting Standards Issued But Not Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2023 and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. Investments

As at December 31, 2023, the Company held 1,500,000 (2022 – 1,500,000) shares of Empire Metals Corp. with a fair value of \$105,000 (2022 - \$135,000). The Company also held 21.57 ounces (2022 – 21.57 ounces) of gold bullion with a fair value of \$59,294 (2022 - \$52,989). During the year ended December 31, 2023, the Company recorded an unrealized loss of \$23,696 (2022 – \$161,396) which was included in the consolidated statement of operations.

4. Property and Equipment

	Automotive \$	Furniture \$	Total \$
Cost:			
Balance, December 31, 2021	50,333	5,290	55,623
Additions	7,000	–	7,000
Balance, December 31, 2022 and 2023	57,333	5,290	62,623
Accumulated depreciation:			
Balance, December 31, 2021	47,512	1,435	48,947
Additions	1,542	771	2,313
Balance, December 31, 2022	49,054	2,206	51,260
Additions	2,484	617	3,101
Balance, December 31, 2023	51,538	2,823	54,361
Carrying amounts:			
As at December 31, 2022	8,279	3,084	11,363
As at December 31, 2023	5,795	2,467	8,262

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets

	Leota Gold \$
<i>Acquisition Costs:</i>	
Balance, December 31, 2022 and 2023	2,144,505
<i>Exploration Costs:</i>	
Balance, December 31, 2022	3,285,835
Assays	8,060
Claim maintenance	13,085
Equipment rental	36,755
Exploration administration	31,985
Fieldwork	839
Geological	236,450
Travel and accommodations	66,192
Balance, December 31, 2023	3,679,201
Net carrying value, December 31, 2023	5,823,706

	Leota Gold \$
<i>Acquisition Costs:</i>	
Balance, December 31, 2021 and 2022	2,144,505
<i>Exploration Costs:</i>	
Balance, December 31, 2021	2,995,967
Assays	11,400
Equipment rental	32,840
Exploration administration	49,276
Fieldwork	109,912
Geological	56,585
Travel and accommodations	29,855
Balance, December 31, 2022	3,285,835
Net carrying value, December 31, 2022	5,430,340

Leota Gold Project – Klondike, Yukon

The Company holds a 100% interest in the Leota Gold Property (the “Property”) located in the Dawson Mining District, Klondike, Yukon Territory, Canada, that it previously earned through an option agreement.

Upon the Company receiving a positive feasibility study confirming more than 4 million ounces of gold or gold equivalent reserve on the Property, or if the Company produces more than 4 million ounces of gold from the Property, then the Company will, after regulatory approval, be required to allot and issue a further 400,000 common shares to the vendors.

The optionors retain a 3% net smelter royalty (“NSR”), up to one-half of which may be bought out by the Company at any time for one or more payments of \$500,000 for each 0.5% of the NSR totalling \$1,500,000. The Company is the operator.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

Hasenfuss Gold Claims – Klondike, Yukon

On October 1, 2010, the Company entered into an option agreement to acquire two claims contiguous with the Company's Leota Gold Project. The two Hasenfuss Quartz Mining claims had been optioned from two private individuals for a total of \$60,000. During the year ended December 31, 2010, the Company paid \$10,000 in acquisition costs. On July 6, 2011, the Company acquired 100% of the Hasenfuss Quartz mineral claims by making the \$50,000 payment. The acquisition costs are included with the Leota Gold Project. The claims are subject to a 2% NSR.

6. Accounts Payable and Accrued Liabilities

	2023	2022
	\$	\$
Trade payables	574,726	11,193
Related party payables (Note 7)	11,439,750	11,782,192
Accrued professional fees	12,000	12,000
	12,026,476	11,805,385

7. Related Party Transactions

- As at December 31, 2023, the amount of \$152,369 (2022 – \$135,219) was owed to a company controlled by a significant shareholder of the Company, which bears interest at 1% compounded monthly, is unsecured, and due on demand. During the year ended December 31, 2023, the Company incurred interest expense of \$17,149 (2022 - \$15,219) to this company.
- As at December 31, 2023, the amount of \$4,143 (2022 – \$4,143) was owed to the President of the Company. As at December 31, 2023, the amount of \$499,800 (2022 - \$434,700) was owed to a company controlled by the President of the Company, which is included in accounts payable and accrued liabilities. The amounts due are non-interest bearing, unsecured, and due on demand. During the year ended December 31, 2023, the Company incurred management fees of \$62,000 (2022 – \$82,000) to a company controlled by the President of the Company.
- As at December 31, 2023, the amount of \$1,507,894 (2022 - \$1,492,534) was owed to a significant shareholder of the Company and companies controlled by a significant shareholder of the Company, which is included in accounts payable and accrued liabilities. During the year ended December 31, 2023, the Company incurred interest expense of \$19,181 (2022 – \$51,777), management fees of \$19,720 (2022 - \$nil), property investigation costs of \$11,800 (2022 – \$17,780) and investor relations of \$3,600 (2022 - \$nil) to a significant shareholder of the Company and companies controlled by a significant shareholder of the Company.
- As at December 31, 2023, the amount of \$9,408,385 (2022 – \$9,208,703) was owed to companies controlled by a former director of the Company, which is included in accounts payable and accrued liabilities. During the year ended December 31, 2023, the Company incurred exploration expenditures of \$283,207 (2022 – \$284,971), corporate administration expenses of \$44,538 (2022 – \$30,410), interest expense of \$1,368,951 (2022 – \$1,894,423), accounting fees of \$14,000 (2022 – \$14,000), rent of \$18,900 (2022 – \$27,600), and investor relations of \$nil (2022 – \$32,838) to companies controlled by a director of the Company.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

7. Related Party Transactions (continued)

- (e) During the year-ended December 31, 2023, the Company incurred property investigation costs of \$5,000 (2022 – \$22,637) to the CFO and a significant shareholder of the Company.
- (f) As at December 31, 2023, the amount of \$23,671 (2022 - \$21,007) was owed to a company with common officers and directors which is included in accounts payable and accrued liabilities. During the year-ended December 31, 2023, the Company incurred interest expense of \$2,664 (2022 - \$21,007) to this company.

8. Share Capital

Authorized: Unlimited common shares without par value

Share transactions for the year ended December 31, 2023:

- (a) On April 6, 2023, the Company issued 18,000,000 non flow-through units at \$0.05 per unit for proceeds of \$900,000. Each unit consisted of one common share and one transferrable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.065 per share expiring on April 6, 2028. Out of the 18,000,000 units issued, 2,000,000 units were issued for proceeds of \$100,000 to a company controlled by a director and companies with common officers and a significant shareholder for proceeds of \$400,000. No value was attributable to the share purchase warrants.
- (b) On April 6, 2023, the Company issued 2,000,000 flow-through units at \$0.05 per unit for proceeds of \$100,000. Each unit consisted of one common share and one transferrable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.065 per share expiring on April 6, 2028. Out of the 2,000,000 units issued, 200,000 units for proceeds of \$10,000 were issued to a former director of the Company and 1,000,000 units for proceeds of \$50,000 to a significant shareholder of the Company. No value was attributable to the share purchase warrants and there is no flow-through share premium.
- (c) On October 17, 2023, the Company issued 1,000,000 non flow-through units at \$0.05 per unit for proceeds of \$50,000 to a company with common officers and directors. Each unit consisted of one common share and one transferrable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.065 per share expiring on October 17, 2028. No value was attributable to the share purchase warrants.
- (d) On October 17, 2023, the Company issued 2,250,000 flow-through units at \$0.05 per unit for proceeds of \$112,500. Each unit consisted of one common share and one transferrable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.065 per share expiring on October 17, 2028. Out of the 2,250,000 units issued, 2,000,000 units for proceeds of \$100,000 were issued to a director of the Company and his spouse. No value was attributable to the share purchase warrants and there is no flow-through share premium.
- (e) On October 19, 2023, the Company issued 1,000,000 non flow-through units at \$0.05 per unit for proceeds of \$50,000 to a company with common officers. Each unit consisted of one common share and one transferrable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.065 per share expiring on October 19, 2028. No value was attributable to the share purchase warrants.
- (f) On October 19, 2023, the Company issued 25,750,000 flow-through units at \$0.05 per unit for proceeds of \$1,287,500. Each unit consisted of one common share and one transferrable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.065 per share expiring on October 19, 2028. Out of the 25,750,000 units issued, 25,000,000 units for proceeds of \$1,250,000 were issued to a significant shareholder of the Company. No value was attributable to the share purchase warrants and there is no flow-through share premium.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

8. Share Capital (continued)

Share transactions for the year ended December 31, 2022:

- (g) On September 20, 2022, the Company issued 23,571,431 non flow-through units at \$0.07 per unit for proceeds of \$1,650,000. Each unit consisted of one common share and one transferrable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.095 per share expiring on September 20, 2027. Out of the 23,571,431 units issued, 20,857,144 units were issued to a company controlled by a director and companies with common officers and directors for proceeds of \$1,460,000. A value of \$234,714 was attributed to the share purchase warrants using the residual method.
- (h) On September 20, 2022, the Company issued 6,428,569 flow-through units at \$0.07 per unit for proceeds of \$450,000. Each unit consisted of one common share and one transferrable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.095 per share expiring on September 20, 2027. Out of the 6,428,569 units issued, 2,999,999 units were issued to a significant shareholder, director, and a company with common officers and directors for proceeds of \$210,000. A value of \$64,286 was attributed to the share purchase warrants using the residual method.

9. Share Purchase Warrants

The following table summarizes the continuity of common share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2021	4,030,000	0.12
Issued	30,000,000	0.095
Balance, December 31, 2022	34,030,000	0.12
Issued	50,000,000	0.07
Balance, December 31, 2023	84,030,000	0.08

As at December 31, 2023, the following common share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date	
4,030,000	0.12	October 3, 2024	(2,330,000 exercisable into flow-through shares)
30,000,000	0.095	September 20, 2027	(6,428,569 exercisable into flow-through shares)
20,000,000	0.07	April 6, 2028	(2,000,000 exercisable into flow-through shares)
3,250,000	0.07	October 17, 2028	(2,250,000 exercisable into flow-through shares)
<u>26,750,000</u>	0.07	October 19, 2028	(25,750,000 exercisable into flow-through shares)
<u>84,030,000</u>			

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

10. Stock Options

The following table summarizes the continuity of the Company's stock options:

	Number of Options	Weighted average exercise price \$
Balance, December 31, 2021 and 2022	–	–
Granted	6,996,000	0.07
Balance, December 31, 2023	6,996,000	0.07

Additional information regarding stock options outstanding as at December 31, 2023 is as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.07	6,996,000	9.5	0.07

During the year ended December 31, 2023, the Company recorded share-based compensation of \$477,268 (2022 - \$nil) for stock options granted to a company controlled by a significant shareholder of the Company. The weighted average grant date fair value of stock options granted during the year ended December 31, 2023 was \$0.07 (2022 - \$nil) per option.

The fair values for stock options granted have been estimated using the Black-Scholes option-pricing model assuming no expected dividends or forfeitures, and the following weighted average assumptions:

	2023	2022
Risk-free interest rate	3.37%	–
Expected volatility	137%	–
Expected option life (in years)	10	–

11. Segmented Information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Canada.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

12. Financial Instruments and Risk Management

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at December 31, 2023 as follows:

	Fair value measurements using			Balance, December 31, 2022 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Investments	164,294	–	–	164,294

The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(b) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has investments in gold bullion in which the spot price is denominated in U.S. dollars.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company relies on raising debt or equity financing in a timely manner.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

12. Financial Instruments and Risk Management (continued)

(d) Liquidity Risk (continued)

The following amounts are the contractual maturities of financial liabilities as at December 31, 2023 and 2022:

2023	Total \$	Within 1 year \$	Within 2-5 years \$
Accounts payable and accrued liabilities	12,026,476	12,026,476	–
Loan payable	5,000	5,000	–
Due to related parties	156,512	156,512	–
Total	12,187,988	12,187,988	–

2022	Total \$	Within 1 year \$	Within 2-5 years \$
Accounts payable and accrued liabilities	11,805,385	11,805,385	–
Due to related parties	139,362	139,362	–
Total	11,944,747	11,944,747	–

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company also has exposure to price risk from its investments in gold bullion and common shares of public companies.

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, warrants reserve, and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2022.

GOLDBANK MINING CORPORATION

Notes to the Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

14. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2023 \$	2022 \$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(772,531)	(654,736)
Tax effect of:		
Permanent differences and other	269,215	(3,781)
Change in unrecognized deferred income tax assets	503,316	658,517
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2023 \$	2022 \$
Deferred income tax assets (liabilities)		
Investments	(18,981)	(10,307)
Non-capital losses carried forward	6,307,228	5,670,794
Property and equipment	3,686	2,849
Resource pools	(1,414,177)	(1,288,896)
Total gross deferred income tax assets	4,877,756	4,374,440
Unrecognized deferred income tax assets	(4,877,756)	(4,374,440)
Net deferred income tax asset	–	–

As at December 31, 2023, the Company has non-capital losses carried forward of \$23,360,102, which are available to offset future years' taxable income. These losses expire as follows:

	\$
2026	376,202
2027	425,463
2028	356,277
2029	309,680
2030	628,641
2031	726,507
2032	680,695
2033	889,338
2034	968,811
2035	1,229,404
2036	1,439,240
2037	1,876,952
2038	5,499,942
2039	456,369
2040	1,057,031
2041	1,821,148
2042	2,261,240
2043	2,357,162
	23,360,102