

**GARIBALDI RESOURCES CORP.**

Consolidated Financial Statements

For the years ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders and Directors of  
Garibaldi Resources Corp.

### Opinion

We have audited the consolidated financial statements of Garibaldi Resources Corp. and its subsidiaries (together, the "Company") which comprise:

- the consolidated statements of financial position as at January 31, 2024 and January 31, 2023;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the 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 January 31, 2024 and 2023, and its consolidated financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 January 31, 2024. These matters were addressed in the context of our audits 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. In addition to the matter described in *Material Uncertainty Related to Going Concern* section, the key audit matters to be communicated in our auditors' report are as follows:

#### Evaluation of impairment indicators for mineral properties

We draw attention to Notes 2a), 3 and 8 of the consolidated financial statements. The Company has exploration and evaluation assets with a carrying value of \$44,438,057. At the end of each reporting period, the Company assesses its exploration and evaluation assets to determine whether any indications of impairment exist. Judgment is required in determining whether indicators of impairment exist, including factors such as expiration of rights to explore with no right or expectation of renewal, substantive expenditure or further exploration and evaluation in the specific area is neither budgeted nor planned or the Company has decided to discontinue such activities in the specific area, no commercially viable quantities are discovered and exploration and evaluation activities will be discontinued, or sufficient data exists to indicate that the carrying amount of the resource properties are unlikely to be recovered in full from successful development or by sale.

We identified the evaluation of impairment indicators for exploration and evaluation assets as a key audit matter as this matter represented an area of significant risk of material misstatement given the magnitude of the mineral properties.

Significant auditor judgment was required to evaluate the results of our audit procedures and assess the Company's determination of whether the factors, individually and in the aggregate, resulted in indicators of impairment for mineral properties.

Our audit response to the key audit matter was as follows:

- We assessed the status of the Company's rights to explore by inquiring with management if any rights were not expected to be renewed and by inspecting government registries
- We assessed whether substantive expenditures on further exploration and evaluation in the specific area is neither budgeted nor planned by the Company by reviewing the Company's geological reports, inspecting budgeted expenditures and available cash flow to meet these budgeted expenditures and inquiring with management on the Company's plans
- We assessed whether the Company has decided to discontinue exploration activities in the specific area by reviewing the Company's geological reports and inquiring with management on the Company's plans
- We assessed whether the Company's evaluation of potential impairment indicators was consistent with:
  - Information included in the Company's news releases, management's discussion and analysis, and other public filings
  - Evidence obtained in other areas of the audit, including the results of exploration activities
  - Information obtained from reading internal communications to management and the Board of Directors meeting minutes and resolutions
  - Inspecting publicly available information for changes in the price of applicable commodity prices

#### **Other Information**

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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 audits of the consolidated 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 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 on this other information, 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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.

#### **Auditors' 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 auditors' 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 audits. 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 audits 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 audits of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' 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 audits resulting in this independent auditors' report is Artem Valeev.

*/s/ Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
May 28, 2024

Garibaldi Resources Corp.  
Consolidated Statements of Financial Position  
January 31, 2024 and 2023  
(Expressed in Canadian Dollars)

	Note	2024	2023
<b>ASSETS</b>			
Current assets			
Cash		\$ 122,106	\$ 2,088,001
Receivables	4	38,455	81,142
BCMETC receivable	8	-	158,231
Prepaid expenses and deposits		22,005	21,850
		182,566	2,349,224
Non-current assets			
Reclamation deposits	5	195,635	181,635
Equipment	6	73,781	93,434
Exploration and evaluation assets	8, 12	44,438,057	42,802,005
		44,707,473	43,077,074
<b>TOTAL ASSETS</b>		<b>\$ 44,890,039</b>	<b>\$ 45,426,298</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	9, 12	\$ 1,952,587	\$ 790,369
Flow-through premium liability	10	-	577,067
		1,952,587	1,367,436
Non-current liability			
Deferred tax liability	16	3,012,000	3,637,000
<b>TOTAL LIABILITIES</b>		<b>4,964,587</b>	<b>5,004,436</b>
<b>EQUITY</b>			
Share capital	11	67,922,735	67,687,112
Contributed surplus		5,753,221	5,728,221
Deficit		(33,750,504)	(32,993,471)
<b>TOTAL EQUITY</b>		<b>39,925,452</b>	<b>40,421,862</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 44,890,039</b>	<b>\$ 45,426,298</b>

Going Concern – Note 2  
Commitments – Notes 8, 10 and 11

Approved on behalf of the Board on May 28, 2024:

“Steve Regoci”  
Steve Regoci, CEO and Director

“Barrie DiCastrì”  
Barrie DiCastrì, CFO and Director

Garibaldi Resources Corp.  
Consolidated Statements of Comprehensive Loss  
For the years ended January 31, 2024 and 2023  
(Expressed in Canadian Dollars)

	Note	2024	2023
<b>Expenses</b>			
Amortization of right-of-use asset	7	\$ -	\$ 45,852
Bank charges and interest		1,208	3,210
Consulting fees	12	55,502	87,330
Depreciation	6	890	1,988
Exploration cost		13,301	-
Foreign exchange (gain) loss		(1,576)	1,630
Insurance		19,759	19,601
Lease interest	7	-	3,142
Management fees	12	288,000	288,000
Office and miscellaneous		13,325	16,599
Professional fees		136,451	179,682
Rent		78,276	12,350
Share-based payments	11	25,000	16,000
Shareholder communications		48,750	131,959
Telephone		11,224	10,020
Transfer agent and filing fees		30,657	44,717
Travel and entertainment		3,314	2,479
<b>Loss before other items</b>		<b>(724,081)</b>	<b>(864,559)</b>
<b>Other items</b>			
Interest income		7,396	1,217
Interest and indemnification	10	(673,300)	-
Other income		-	107,500
Gain on sale of equipment		-	13,019
Settlement of flow-through premium liability	10 and 11	353,444	273,178
Write-off of accounts payable		-	12,600
Write-off of receivables	4	-	(7,910)
Write-off of exploration and evaluation assets	8	(345,492)	(885,123)
Loss on sale of exploration and evaluation assets	8	-	(1,570,662)
		<b>(657,952)</b>	<b>(2,056,181)</b>
<b>Net loss before income taxes</b>		<b>(1,382,033)</b>	<b>(2,920,740)</b>
<b>Income taxes</b>			
Deferred income tax (expense) recovery	16	625,000	(543,000)
<b>Net and comprehensive loss</b>		<b>\$ (757,033)</b>	<b>\$ (3,463,740)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding</b>		<b>137,328,332</b>	<b>126,188,742</b>

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

Garibaldi Resources Corp.  
Consolidated Statements of Changes in Equity  
For the years ended January 31, 2024 and 2023  
(Expressed in Canadian Dollars)

	Note	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance, January 31, 2022		121,549,075	\$ 63,537,694	\$ 5,623,834	\$ (29,529,731)	\$ 39,631,797
Shares issued for mineral properties	8	25,000	9,375	-	-	9,375
Shares issued for cash:						
Private placements	11	15,728,778	4,545,401	12,000	-	4,557,401
Less: share issue costs	11	-	(405,358)	76,387	-	(328,971)
Share-based payments	11	-	-	16,000	-	16,000
Net and comprehensive loss		-	-	-	(3,463,740)	(3,463,740)
Balance, January 31, 2023		137,302,853	\$ 67,687,112	\$ 5,728,221	\$ (32,993,471)	\$ 40,421,862
Shares issued for mineral property	8	100,000	12,000	-	-	12,000
Reversal of flow-through premium	10	-	223,623	-	-	223,623
Share-based payments	11	-	-	25,000	-	25,000
Net and comprehensive loss		-	-	-	(757,033)	(757,033)
Balance, January 31, 2024		137,402,853	\$ 67,922,735	\$ 5,753,221	\$ (33,750,504)	\$ 39,925,452

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

Garibaldi Resources Corp.  
Consolidated Statements of Cash Flows  
For the years ended January 31, 2024 and 2023  
(Expressed in Canadian Dollars)

	2024	2023
<b>Operating Activities</b>		
Net loss	\$ (757,033)	\$ (3,463,740)
Adjustments for non-cash items:		
Amortization of right-of-use asset	-	45,852
Depreciation	890	1,988
Lease interest	-	3,142
Share-based payments	25,000	16,000
Gain on sale of equipment	-	(13,019)
Settlement of flow-through premium liability	(353,444)	(273,178)
Write-off of receivables	-	7,910
Write-off of accounts payable	-	(12,600)
Write-off of exploration and evaluation assets	345,492	885,123
Loss on sale of exploration and evaluation assets	-	1,570,662
Deferred income taxes expense (recovery)	(625,000)	543,000
Changes in non-cash working capital items:		
Receivables	42,687	(63,142)
Prepaid expenses and deposits	(155)	863
Accounts payable and accrued liabilities	816,726	(46,281)
<b>Net cash flows used in operating activities</b>	<b>(504,837)</b>	<b>(797,420)</b>
<b>Investing Activities</b>		
Expenditures on exploration and evaluation assets	(1,605,289)	(3,234,844)
Proceeds on sale of exploration and evaluation assets	-	400,000
BCMETC received	158,231	144,277
Reclamation deposits	(14,000)	(24,561)
Proceeds on sale of equipment	-	15,066
<b>Net cash flows used in investing activities</b>	<b>(1,461,058)</b>	<b>(2,700,062)</b>
<b>Financing Activities</b>		
Private placement proceeds allocated to common shares	-	4,545,401
Private placement proceeds allocated to flow-through premium	-	850,245
Private placement proceeds allocated to share purchase warrants	-	12,000
Share issuance costs	-	(328,971)
Lease payments	-	(57,145)
<b>Net cash flows provided by financing activities</b>	<b>-</b>	<b>5,021,530</b>
Change in cash	(1,965,895)	1,524,048
Cash, beginning of year	2,088,001	563,953
<b>Cash, end of year</b>	<b>\$ 122,106</b>	<b>\$ 2,088,001</b>
<b>Supplemental Information</b>		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -

Non-cash Transactions – Note 15

**1. Corporate Information**

Garibaldi Resources Corp. (the “Company”) is an exploration stage company incorporated on November 22, 1993 under the laws of the Province of Alberta, Canada. On December 30, 2021, the Company was continued to the jurisdiction of British Columbia. Its business activity is the acquisition, exploration and evaluation of mineral properties located in Canada and Mexico. The Company’s common shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “GGI”.

The Company’s head office and principal business address is Suite 1150 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

**2. Basis of Preparation**

***Statement of Compliance***

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue on May 28, 2024 by the directors of the Company.

***Going Concern***

These consolidated financial statements have been prepared on the assumption that the Company (and its subsidiaries) will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different basis of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At January 31, 2024, the Company has a working capital deficit of \$1,770,021 and accumulated deficit of \$33,750,504. At January 31, 2024, the Company has not advanced its mineral properties to commercial production and has not generated revenue from operations. The Company’s continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. The Company has been successful in raising funds in the past to finance operations, however, there is no assurance it will be able to do so in the future or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

***Basis of Measurement***

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs except for certain financial instruments, which are measured at fair value as explained in the material accounting information set out in Note 3. The consolidated financial statements are presented in Canadian dollars which is also the Company’s functional currency.

**2. Basis of Preparation (cont'd)**

***Use of Accounting Judgments, Estimates and Assumptions***

Preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the consolidated financial statements and of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether indicators of impairment exist and whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Site Closure and Reclamation Provisions

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact any amounts charged to operations for reclamation and remediation. During the periods presented, no reclamation obligations were incurred and therefore, no provision has been recorded. This represents management's best estimate of the present value of future reclamation and remediation obligations. Actual future expenditures may differ from the estimate.

c) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

**2. Basis of Preparation (cont'd)**

***Use of Accounting Judgments, Estimates and Assumptions (cont'd)***

d) Share-Based Payments

Management uses valuation techniques to measure the fair value of share-based payments such as stock options or broker warrants. The fair values are determined using the Black-Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the options or warrants, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions could have a material impact on the Company's consolidated financial statements.

e) Deferred Income Taxes

Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognized in the consolidated statement of financial position. Deferred tax assets, including those potentially arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognize deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

f) Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes 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. Please refer to Note 2 for additional information.

***Principles of Consolidation***

These consolidated financial statements include the accounts of the Company and its controlled entities. All inter-company balances and transactions have been eliminated on consolidation. Details of its controlled entities are as follows:

	Country of Incorporation	Percentage Owned	
		2024	2023
San Pedro Stone Inc.	Canada	100%	100%
Minera Pender S.A. de C.V.	Mexico	100%	100%

### **3. Material Accounting Policies**

#### ***Foreign Currency Translation***

The functional currency of each of the Company's entities is determined using primary and secondary indicators related to the economic environment in which that entity operates. The Canadian dollar is the parent company's functional and presentation currency. The functional currency of the subsidiaries is also the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on the settlement of monetary items are recognized in profit or loss in the consolidated statement of comprehensive loss in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

#### ***Exploration and Evaluation Assets***

Exploration and evaluation assets include the costs of acquiring mineral properties, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized and are classified as intangible assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits are recorded as a reduction to the cumulative costs incurred and capitalized on the related mineral property.

At the end of each reporting period, the Company assesses its exploration and evaluation assets to determine whether any indications of impairment exist including factors such as (i) expiration of rights to explore with no right or expectation of renewal, (ii) substantive expenditure or further exploration and evaluation in the specific area is neither budgeted nor planned or the Company has decided to discontinue such activities in the specific area, (iii) no commercially viable quantities are discovered and exploration and evaluation activities will be discontinued, or (iv) sufficient data exists to indicate that the carrying amount of the resource properties are unlikely to be recovered in full for successful development or sale.

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.

#### ***Reclamation Deposits***

Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits.

**3. Material Accounting Policies (cont'd)**

***Share-based Payments***

The Company operates an incentive stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized 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 fair value of share-based payments is charged to the consolidated statement of comprehensive loss with a corresponding credit recorded to contributed surplus. The fair value of options is determined using a 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.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive loss over the remaining vesting period.

The Company recognizes share issue costs for the fair value of broker warrants issued as finder's fees in connection with private placements. The fair value calculated is recorded as share issue costs with a corresponding credit to contributed surplus. The Company uses the Black-Scholes option pricing model to determine the fair value of the warrants issued.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with the consideration paid.

The Company records the proceeds received net of direct issuance costs from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated between the common share and warrant component. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

***Financial Instruments***

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. This is the measurement categories under which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Company's cash is measured at fair value through profit or loss.

**3. Material Accounting Policies (cont'd)**

***Financial Instruments*** (cont'd)

*Financial Liabilities*

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of comprehensive loss. Financial liabilities that are not measured at FVTPL are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of comprehensive loss. Any gain or loss on derecognition is also recognized in the consolidated statement of comprehensive loss. The Company's accounts payable are measured at amortized cost.

The Company classifies its accounts payable and accrued liabilities at amortized cost.

***Impairment of Assets***

The carrying amounts of the Company's assets (which include equipment and exploration and evaluation 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. Impairment of mineral property exploration interests is generally considered to have occurred if one of the following factors is present: the right to explore has expired or is near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or by sale. 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 consolidated 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. In assessing 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 specific 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. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

***Income Taxes***

*Current income taxes:*

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, in the countries where the Company and its subsidiaries operate and generate taxable income.

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 profit or loss. 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.

**3. Material Accounting Policies (cont'd)**

***Income Taxes (cont'd)***

***Deferred income taxes:***

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax basis 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 profit 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.

***Flow-through shares***

The Company may, from time to time, issue flow-through shares to finance a portion of its Canadian exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date to the extent that a premium exists. The equity portion is measured at the market value of ordinary shares and the residual premium is allocated as a liability. This is effectively the “premium” the investor attributes to a flow-through share versus an ordinary share. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes the premium as other income.

Flow-through shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through shares on Canadian qualifying exploration expenditures within the timeline specified by the Government of Canada flow-through regulations. If this deadline has passed, the Company would need to amend the tax forms for any unspent exploration expenditures renounced and the remaining flow-through premium liability will be reclassified to share capital. The Company may be required to indemnify the holders of such flow-through shares for any tax and other costs payable by them in the event the Company has not incurred the required exploration expenditures before the deadline. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. The interest and penalties for the Part XII.6 tax and any potential costs to indemnify the shareholders is recorded as interest and indemnification charges on the statement of comprehensive loss.

***Equipment***

Depreciation is calculated using the declining balance method to allocate the cost of the assets over their estimated useful lives. The depreciation rates applicable to each category of equipment are as follows:

Motor vehicles	30% declining balance
Drilling and exploration equipment	20% declining balance
Office equipment	20% declining balance

Depreciation is recorded at one-half rates in the year of acquisition. Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

**3. Material Accounting Policies (cont'd)**

***Basic and Diluted Loss Per Share***

Basic loss per share is computed by dividing the net loss applicable to the common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. The dilution is calculated based upon the net number of common shares issued should "in the money" options and warrants be exercised and the proceeds used to repurchase common shares at the average market price during the period.

***Adoption of New and Amended Accounting Standards***

The IASB issued certain new or amended accounting standards that are mandatory for accounting periods on or after January 1, 2023. The effect of such new or amended accounting standards did not have a material impact on the Company's consolidated financial statements.

As part of the new or amended accounting standards, the Company adopted Amendments to IAS 1, Presentation of Financial Statements Presentation of Financial Statements – Disclosure of Accounting Policies, requiring entities to disclose material, instead of significant, accounting policy information. The accounting policies disclosed within these financial statements were not impacted by the adoption of these amendments.

***Accounting Standards Issued But Not Yet Effective***

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended January 31, 2024, and have not been early adopted in preparing these consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

**4. Receivables**

	<b>2024</b>	<b>2023</b>
GST receivable	\$ 30,649	\$ 20,002
Other receivables	7,806	61,140
<b>Total</b>	<b>\$ 38,455</b>	<b>\$ 81,142</b>

The Company is exposed to credit risk on sales taxes receivable which consist of refundable government goods and services taxes. The Company records a 100% allowance on its Mexican sales tax receivable ("IVA"). During the year ended January 31, 2024, the Company recorded a write-down of IVA receivable of \$5,232 (2023 – \$7,910) to office and miscellaneous.

**5. Reclamation Deposits**

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company. The reclamation deposits are held in redeemable interest-bearing certificates with large financial institutions.

Garibaldi Resources Corp.  
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**6. Equipment**

***January 31, 2024***

	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Drilling and exploration equipment</b>	<b>Total</b>
Cost:				
At January 31, 2023 and 2024	67,619	12,994	452,889	533,502
Accumulated Depreciation:				
At January 31, 2023	57,959	12,207	369,902	440,068
Depreciation	2,898	157	16,598	19,653
At January 31, 2024	60,857	12,364	386,500	459,721
Net book value:				
At January 31, 2023	\$ 9,660	\$ 787	\$ 82,987	\$ 93,434
At January 31, 2024	\$ 6,762	\$ 630	\$ 66,389	\$ 73,781

During the year ended January 31, 2024, the Company capitalized \$18,763 in depreciation to exploration and evaluation assets.

***January 31, 2023***

	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Drilling and exploration equipment</b>	<b>Total</b>
Cost:				
At January 31, 2022	\$ 196,886	\$ 12,994	\$ 452,889	\$ 662,769
Additions	-	-	-	-
Dispositions	(129,267)	-	-	(129,267)
At January 31, 2023	67,619	12,994	452,889	533,502
Accumulated Depreciation:				
At January 31, 2022	180,162	12,007	349,159	541,328
Depreciation	5,017	200	20,743	25,960
Dispositions	(127,220)	-	-	(127,220)
At January 31, 2023	57,959	12,207	369,902	440,068
Net book value:				
At January 31, 2022	\$ 16,724	\$ 987	\$ 103,730	\$ 121,441
At January 31, 2023	\$ 9,660	\$ 787	\$ 82,987	\$ 93,434

During the year ended January 31, 2023, the Company capitalized \$23,972 in depreciation to exploration and evaluation assets.

**7. Right-of-Use Asset and Lease Liability**

***Right-of-Use Asset***

Balance, January 31, 2021	\$	91,704
Amortization		(45,852)
Balance, January 31, 2022	\$	45,852
Amortization		(45,852)
Balance, January 31, 2023 and 2024	\$	-

***Lease liability***

Balance, January 31, 2021	\$	108,703
Lease payments		(52,745)
Lease interest		(1,954)
Balance, January 31, 2022	\$	54,003
Lease payments		(57,145)
Lease interest		3,142
Balance, January 31, 2023 and 2024	\$	-

The Company recognized lease liabilities in relation to a lease for office space which is measured at the present value of the remaining lease payments and discounted using the Company's incremental borrowing rate of 10%. Lease liabilities are measured at amortized cost using the effective interest rate method.

An associated right-of-use asset for the lease was measured at the amount equal to the lease liability on adoption of IFRS 16 and is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Company's office lease expired on January 31, 2023.

On February 27, 2023, the Company signed a six-month office lease extension and in August of 2023 was renewed for another six months and is currently on a month-to-month basis.

Garibaldi Resources Corp.  
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**8. Exploration and Evaluation Assets**

*January 31, 2024*

	Canada				Total \$
	Red Lion \$	E & L \$	Palm Spring \$	Sid, Sunrise & Atlin \$	
<b>Acquisition Costs</b>					
Balance, January 31, 2023	1,199,814	2,509,111	1,144,480	610,000	5,463,405
Additions	-	-	12,000	-	12,000
Balance, January 31, 2024	1,199,814	2,509,111	1,156,480	610,000	5,475,405
Deferred exploration costs					
Balance, January 31, 2023	682,526	33,730,779	2,091,343	833,952	37,338,600
Assays	-	91,428	-	1,116	92,544
Depreciation	-	18,763	-	-	18,763
Drilling and trenching	-	213,125	-	65,803	278,928
Equipment rental	1,045	75,510	-	-	76,555
Geology and mapping	46,236	481,482	2,400	14,028	544,146
Helicopter	-	375,404	-	-	375,404
Surveying	-	41,846	3,300	8,571	53,717
Travel and field	17,090	159,496	-	7,409	183,995
Balance, January 31, 2024	746,897	35,187,833	2,097,043	930,879	38,962,652
<b>Total</b>	<b>1,946,711</b>	<b>37,696,944</b>	<b>3,253,523</b>	<b>1,540,879</b>	<b>44,438,057</b>

Garibaldi Resources Corp.  
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**8. Exploration and Evaluation Assets (cont'd)**

**January 31, 2023**

	Mexico			Canada							TOTAL \$
	La Patilla	Iris	Sonora	Red Lion	Golden Bear	King	E&L	Palm Spring	Sid, Sunrise & Atlin	Black Gold & Tora Tora	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Acquisition Costs</b>											
Balance, January 31, 2022	-	-	-	1,188,317	151,223	7,558	2,509,111	1,144,480	610,000	69,555	<b>5,680,244</b>
Additions	5,119	8,628	279,737	11,497	-	-	-	-	-	-	<b>304,981</b>
Write-off of E&E assets	(5,119)	(8,628)	(279,737)	-	-	(7,558)	-	-	-	(69,555)	<b>(370,597)</b>
Loss on sale of E&E assets	-	-	-	-	(151,223)	-	-	-	-	-	<b>(151,223)</b>
Balance, January 31, 2023	-	-	-	<b>1,199,814</b>	-	-	<b>2,509,111</b>	<b>1,144,480</b>	<b>610,000</b>	-	<b>5,463,405</b>
<b>Deferred Exploration Costs</b>											
Balance, January 31, 2022	-	-	-	445,080	1,816,184	288,585	30,956,317	2,038,280	832,247	197,408	<b>36,574,101</b>
Depreciation	-	-	-	-	-	-	23,972	-	-	-	<b>23,972</b>
Assays	-	-	-	40,079	-	-	50,188	56,260	-	-	<b>146,527</b>
Claim maintenance	-	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-
Drilling and trenching	-	-	-	-	-	-	890,076	-	-	-	<b>890,076</b>
Equipment rental	-	-	-	8,670	-	-	70,641	-	-	-	<b>79,311</b>
Geology and mapping	-	-	-	55,764	4,069	1,000	462,549	10,069	2,131	17,343	<b>552,925</b>
Helicopter	-	-	-	83,034	-	-	833,961	-	-	-	<b>916,995</b>
Surveying	-	-	-	31,050	-	-	5,000	-	-	-	<b>36,050</b>
Travel and field	-	-	-	44,521	-	-	549,786	-	-	16,532	<b>610,839</b>
Less: BCMETC	-	-	-	(25,672)	(814)	(200)	(111,711)	(13,266)	(426)	(6,142)	<b>(158,231)</b>
Less: proceeds on sale	-	-	-	-	(400,000)	-	-	-	-	-	<b>(400,000)</b>
Write-off of E&E assets	-	-	-	-	-	(289,385)	-	-	-	(225,141)	<b>(514,526)</b>
Loss on sale of E&E assets	-	-	-	-	(1,419,439)	-	-	-	-	-	<b>(1,419,439)</b>
Balance, January 31, 2023	-	-	-	<b>682,526</b>	-	-	<b>33,730,779</b>	<b>2,091,343</b>	<b>833,952</b>	-	<b>37,338,600</b>
<b>Total</b>	-	-	-	<b>1,882,340</b>	-	-	<b>36,239,890</b>	<b>3,235,823</b>	<b>1,443,952</b>	-	<b>42,802,005</b>

**8. Exploration and Evaluation Assets (cont'd)**

**Mexico Properties**

The Company must incur minimum exploration and evaluation expenditures each year to keep its Mexican properties in good standing. The Company has not completed any exploration programs in Mexico for several years and does not have further exploration activities planned on its Mexican properties. Accordingly, all costs incurred on the Mexican properties are written off. During the year ended January 31, 2024, the Company accrued and wrote-off \$345,492 in land taxes on its Mexican properties. The Company is currently assessing potential sale and/or option agreements on its Mexican properties.

**La Patilla**

The Company owns a 100% interest in the La Patilla property located in Sinaloa State, Mexico. Should the property be placed into commercial production, the Company will issue 800,000 common shares to the original owner and will pay a 3% net smelter return royalty capped at US\$3,000,000. The Company has the right to buy down the royalty to 1% by paying US\$2,000,000. During the year ended January 31, 2023, the Company wrote-off acquisition and deferred exploration costs of \$5,119 related to the La Patilla property.

**Iris**

The Company owns a 100% interest in the Iris property located in Chihuahua State, Mexico. The property is subject to a 2% net smelter return royalty. The Company has the right to buy down the royalty to 1% by paying US\$1,500,000 to the optionor. During the year ended January 31, 2023, the Company wrote-off acquisition costs of \$8,628 related to the Iris property.

**Sonora**

The Company owns 100% interests in two non-contiguous properties in Sonora State, Mexico, known as Tonichi and Rodadero. The properties are each subject to 1% net smelter return royalties which the Company can purchase at any time for \$1,000,000 each. During the year ended January 31, 2023, the Company wrote-off acquisition costs of \$279,737 related to the and Tonichi and Rodadero properties.

**Canada Properties**

**King**

On August 15, 2009, the Company entered into a mineral property option agreement to earn a 100% interest in a mineral property located in the Iskut River area of British Columbia known as the King Property. Under the terms of the agreement, the Company paid \$30,000, issued 100,000 common shares with a fair value of \$21,000 and completed \$100,000 in exploration work on the King Property. The Company was to make an additional \$70,000 payment by June 30, 2014 which was not paid.

On December 15, 2015, the option agreement was amended and the Company earned a 100% interest in the King Property by agreeing to engage the optionor for \$72,500 of exploration work on the King Property in 2016 in lieu of making the final \$70,000 option payment. The optionor retained a net smelter return royalty of 2%.

On October 29, 2021, the Company entered into a mineral property option agreement with another public company (the "optionee") in which it granted the optionee the right to earn 50% interest in select mineral claims on the King Property. The terms of option agreement provide that the optionee will earn a 50% interest in the select mineral claims upon issuing a total of 900,000 common shares to the Company and incurring \$500,000 in exploration work on the claims over a three-year period ending October 29, 2024.

**8. Exploration and Evaluation Assets (cont'd)**

**Canada Properties (cont'd)**

**King** (cont'd)

At January 31, 2023, the Company has not received the initial share issuances required under the option agreement, and therefore the agreement is considered to be in default. The Company is in negotiations with the optionee to remedy the situation.

The Company does not have further exploration activities planned for the King property. On January 31, 2023, the Company wrote-off acquisition and deferred exploration costs of \$296,943 related to the King property.

**Grizzly and Golden Bear**

The Company owned a 100% interest in the Grizzly property located in the Sheslay Valley in northwestern British Columbia, subject to a 2% net smelter return royalty.

On January 27, 2014, the Company entered into an agreement to purchase a 100% interest in two additional mineral properties, East Hat and East Hat 2, adjacent to the Grizzly property. The vendor retained a 2% net smelter return on production from the properties. The Company had the option at any time to reduce the net smelter return to 1% for a payment of \$1,000,000 to the vendor. On March 5, 2014, the Company received TSX-V approval of the agreement and issued 100,000 common shares with a fair value of \$22,500 to the vendor.

On May 5, 2015, the Company acquired eight mineral claims known as the Golden Bear property adjacent to the southern border of the Company's Grizzly property. Under the terms of the agreement, the Company issued 150,000 common shares with a fair value of \$9,000 in exchange for a 100% interest in the Golden Bear property, subject to a 2% net smelter return royalty, half of which the Company could buy back for \$1,000,000.

On November 22, 2022, the Company sold the Grizzly and Golden Bear properties for proceeds of \$400,000 resulting in a loss of \$1,570,662.

**Red Lion**

On January 31, 2014, the Company entered into a mineral property option agreement to acquire a 100% interest in six mineral tenures located in the Omenica Mining Division of British Columbia, known as the Red Lion Property. The optionor retained a net smelter return royalty of 2% which may be reduced to 1% by the Company at any time for \$2,000,000. Under the terms of the agreement the option payments and share issuances were as follows:

- Within 10 days of TSX-V approval – cash payment of \$18,500 (paid) and issuance of 75,000 common shares (issued with a fair value of \$16,875).
- On or before January 31, 2015 – issuance of additional 150,000 common shares (issued with a fair value of \$25,500).
- On or before January 31, 2016 – issuance of additional 150,000 common shares (issued with a fair value of \$18,000).
- On or before January 31, 2017 – issuance of additional 150,000 common (issued with a fair value of \$22,500).
- On or before January 31, 2018 – issuance of additional 500,000 common shares (issued with a fair value of \$1,110,000).

**8. Exploration and Evaluation Assets (cont'd)**

**Canada Properties (cont'd)**

**Red Lion** (cont'd)

On February 6, 2022, the Company entered into a mineral property purchase agreement to acquire a 100% interest in one mineral claim known as the Sola claim. The Sola claim is 214 hectares in size and is contiguous with the Company's Red Lion property. The Company paid the vendor \$1,562 and paid filing fees of \$560. The Sola claim is subject to a net smelter return royalty of 1%. The Company has the right to buy one-half of the 1% net smelter royalty at any time for \$500,000.

On June 15, 2022, the Company issued 25,000 common shares with a fair value of \$9,375 to the vendor.

**Black Gold**

The Black Gold property consisted of a black granite quarry located near Grand Forks, British Columbia.

During the year ended January 31, 2023, the Company allowed the Black Gold mineral claims to lapse. On January 31, 2023, the Company wrote-off acquisition and deferred exploration costs of \$85,167 related to the Black Gold property.

**Tora Tora**

The Tora Tora property is located in the Similkameen Mining Division of British Columbia. The mineral claims are subject to a 2% net smelter return royalty.

The Company does not have substantial further exploration activities planned for the Tora Tora property. On January 31, 2023, the Company wrote-off acquisition and deferred exploration costs of \$209,529 related to the Tora Tora property. During the year ended January 31, 2024, the Company incurred \$13,301 in exploration cost. This amount is recorded as exploration cost in the consolidated statement of comprehensive loss.

**E&L**

On June 3, 2016, the Company entered into a mineral property option agreement to acquire a 100% interest in four mineral tenures located in the Liard Mining Division in northwest British Columbia known as the E&L property. In order to earn the interest, the Company was required make cash payments totalling \$100,000, issue 1,100,000 common shares over the four-year option period and incur exploration expenditures on the property totalling \$375,000 by the end of the four-year option period. The option is subject to a 2% net smelter return royalty retained by the optionor.

Under the terms of the agreement, in order to acquire the 100% interest in the E&L property, the option payments, share issuances and exploration expenditures were as follows:

- Within 10 days of TSX-V approval – a cash payment of \$5,000 (paid) and the issuance of 100,000 common shares (issued with a fair value of \$10,500).
- On or before June 3, 2017 – a cash payment of \$15,000 (paid), the issuance of an additional 200,000 common shares (issued with a fair value of \$29,000) and exploration expenditures of \$25,000 (incurred).
- On or before June 3, 2018 – a cash payment of \$20,000 (paid), the issuance of an additional 250,000 common shares (issued with a fair value of \$787,500) and exploration expenditures of an additional \$50,000 (incurred).

**8. Exploration and Evaluation Assets (cont'd)**

**Canada Properties (cont'd)**

**E&L** (cont'd)

- On or before June 3, 2019 – a cash payment of \$25,000 (paid), the issuance of an additional 250,000 common shares (issued with a fair value of \$672,500) and exploration expenditures of an additional \$75,000 (incurred).
- On or before June 3, 2020 – a cash payment of \$35,000 (paid), the issuance of an additional 300,000 common shares (issued with a fair value of \$807,000) and exploration expenditures of an additional \$225,000 (incurred).

During the year ended January 31, 2017, the Company increased the size of the E&L property in a series of mineral property purchase agreements as follows:

- i) Pursuant to a mineral property purchase agreement dated September 12, 2016, the Company acquired 20 mineral tenures, comprising 1,473 hectares known as the East Claims property in consideration for 150,000 common shares (issued during the year ended January 31, 2017 at a value of \$12,750) and a cash payment of \$15,000 (paid during the year ended January 31, 2017);
- ii) Pursuant to a mineral property purchase agreement dated October 18, 2016, the Company acquired two mineral tenures comprising approximately 89 hectares known as the E&L South and North claims in consideration for 75,000 common shares (issued during the year ended January 31, 2017 at a value of \$6,750); and
- iii) Pursuant to a mineral property purchase agreement dated October 28, 2016, the Company acquired 10 mineral tenures comprising approximately 4,148 hectares known as the Qu claims in consideration for 500,000 common shares (issued during the year ended January 31, 2017 at a value of \$65,000).

**Palm Spring**

On May 5, 2016 and amended on June 19, 2018, the Company entered into a mineral property option agreement to acquire a 100% interest in 35 mineral tenures located in the Liard Mining Division in northwest British Columbia known as the Palm Spring property. The optionor retained a net smelter return royalty of 2% which may be reduced to 1% by the Company at any time for \$1,000,000.

Under the terms of the agreement, in order to acquire a 100% interest in the Palm Spring property, the option payments and share issuances were as follows:

- Within 10 days of TSX-V approval – a cash payment of \$10,000 (paid) and the issuance of 100,000 common shares (issued with a fair value of \$8,000).
- On or before May 5, 2017 – the issuance of an additional 200,000 common shares (issued with a fair value of \$30,000).
- On or before May 5, 2018 – the issuance of an additional 300,000 common shares (issued with a fair value of \$924,000).
- On or before June 19, 2018 – the issuance of an additional 56,000 common shares (issued with a fair value of \$172,480).
- On or before June 19, 2018 – incur an additional \$97,000 in exploration expenditures (incurred).

**8. Exploration and Evaluation Assets (cont'd)**

**Canada Properties (cont'd)**

**Palm Spring** (cont'd)

On September 27, 2023, the Company entered into a restated amending agreement subject to approval of the TSX-V (October 24, 2023), the Company shall have the right and option to buy down the Retained Royalty to 1% by issuing to the optionor an aggregate of 500,000 common shares of the Company over a four year period as follows:

- i) 100,000 common shares five dates from the date of TSX-V (“initial share payment”) (issued with a fair value of \$12,000);
- ii) 100,000 common shares on or before the first anniversary date of the initial share payment;
- iii) 100,000 common shares on or before the second anniversary date of the initial share payment;
- iv) 100,000 common shares on or before the third anniversary date of the initial share payment; and
- v) 100,000 common shares on or before the fourth anniversary date of the initial share payment.

Upon the issuance of the 500,000 common shares, the Company may acquire the remaining 1.0% NSR by making a cash payment of \$2,000,000.

**Sid, Sunrise & Atlin**

On October 5, 2016 and amended on September 20, 2018, the Company entered into a mineral property option agreement to acquire a 100% interest in 17 mineral claims located in the Omenica Mining Division in British Columbia known as the Sid and Sunrise claims and a 100% interest in 4 mineral claims located in the Atlin Mining Division of British Columbia known as the Atlin claims. In order to earn the interests, the Company was required to pay \$90,000 (paid) and issue 500,000 common shares over a four-year option period. The mineral properties are subject to 2% net smelter return royalties retained by the optionor. The 2% net smelter return royalties may be reduced to 1% by the Company at any time for \$1,000,000.

Under the terms of the option agreement, in order to acquire the 100% interests in the mineral properties, the share issuances were as follows:

- Within 10 days of TSX-V approval – the issuance of 100,000 common shares (issued with a fair value of \$11,000).
- On or before October 5, 2017 – the issuance of an additional 100,000 common shares (issued with a fair value of \$220,000).
- On or before November 5, 2018 – the issuance of an additional 100,000 common shares (issued with a fair value of \$93,000).
- On or before November 5, 2019 – the issuance of an additional 100,000 common shares (issued with a fair value of \$98,000).
- On or before November 5, 2020 – the issuance of an additional 100,000 common shares (issued with a fair value of \$42,000).

On March 31, 2019, the Company entered into a mineral property purchase agreement to acquire a 100% interest in 21 mineral claims known as the Keystone claims located in the Atlin Mining Division of British Columbia. The purchase price was \$56,000.

**9. Accounts Payable and Accrued Liabilities**

	<b>2024</b>	<b>2023</b>
Property taxes payable (Mexico)	\$ 940,557	\$ 595,065
Accounts payable and accrued liabilities	1,012,030	195,304
<b>Total</b>	<b>\$ 1,952,587</b>	<b>\$ 790,369</b>

**10. Commitments**

*Management services agreements:*

The Company has entered into management services agreements which provide for monthly remuneration of \$12,000 for each of its Chief Executive Officer and Chief Financial Officer.

*Flow-through Expenditures:*

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them as the Company has not made the required exploration expenditures.

During the year ended January 31, 2023, the Company received \$2,771,200 from the issuance of flow-through shares. The Company renounced \$2,770,276 to the subscribers and had until December 31, 2023 to incur the qualifying expenditures. A flow-through premium of \$610,443 was recognized initially, with \$577,067 remaining as at January 31, 2023. As at January 31, 2024, the deadline to incur the qualifying expenditures has passed and the Company did not fulfill its obligations of \$1,000,220. During the year ended January 31, 2024, the Company recognized \$353,444 (2023 - \$33,376) as settlement of flow-through liability premium for the qualifying exploration expenditures incurred and the remaining \$223,623 flow-through premium has been reversed into share capital. An amount totaling \$673,300 has been accrued for the indemnification of the shareholders for taxes and for penalties related to the unspent portion of the commitment and Part XII.6 taxes and related interest and penalties.

**11. Share Capital**

**Authorized:**

Unlimited common shares with no par value

**Issued:**

During the year ended January 31, 2024:

On October 30, 2023, pursuant to the terms of the restated and amended agreement to the Palm Spring property, the Company issued 100,000 common shares fair valued at \$12,000 (Note 8).

During the year ended January 31, 2023:

On June 15, 2022, the Company issued 25,000 common shares with a fair value of \$9,375 for a mineral claim that is contiguous to the Company's Red Lion property (Note 8).

On July 22, 2022, the Company issued 5,328,944 flow-through units at \$0.43 per unit for gross proceeds of \$2,291,446. Each unit was comprised of one flow-through common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable into one common share at \$0.55 until July 22, 2024. The Company recorded a flow-through premium of \$239,802 on the private placement.

**11. Share Capital (cont'd)**

**Issued:** (cont'd)

At January 31, 2023, the Company had recorded other income of \$239,802 related to the flow through premium and had incurred eligible flow through expenditures totalling \$2,291,446 meeting its flow-through commitment.

The Company paid finder's fees of \$126,960 and filing fees of \$12,933 related to the private placement. In addition, the Company issued 295,255 finder's warrants exercisable into common shares at \$0.43 until July 22, 2024. The fair value of the finder's warrants was \$35,431. The fair value was determined using the Black-Scholes option pricing model using the following assumptions:

Expected life of warrants	2 years
Annualized volatility	63%
Risk-free interest rate	2.38%
Dividend rate	0%
Forfeiture rate	0%

On September 16, 2022, the Company issued 362,500 non-flow-through units at \$0.40 per unit for proceeds of \$145,000. Each unit was comprised of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable into one common share at \$0.55 until September 16, 2024.

On December 2, 2022, the Company issued 8,836,667 flow-through units at \$0.30 per unit for gross proceeds of \$2,651,000. Each unit was comprised of one flow-through common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable into common shares at \$0.45 until December 2, 2025.

The Company recorded a flow-through premium of \$574,383 on the private placement. At January 31, 2023, the Company had recorded other income of \$33,376 related to the flow through premium and had incurred eligible flow through expenditures totalling \$151,466. The Company is required to incur additional eligible flow-through expenditures totalling \$2,499,534 by December 31, 2023.

The Company paid finder's fees of \$171,060 and filing fees of \$15,606 related to the December 2, 2022 private placement. In addition, the Company issued 578,200 finder's warrants exercisable into common shares at \$0.45 until December 2, 2025. The fair value of the finder's warrants was \$40,474. The fair value was determined using the Black-Scholes option pricing model using the following assumptions:

Expected life of warrants	3 years
Annualized volatility	70%
Risk-free interest rate	3.75%
Dividend rate	0%
Forfeiture rate	0%

On December 2, 2022, the Company issued 800,000 non-flow-through units at \$0.25 per unit for gross proceeds of \$200,000. Each unit was comprised of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable into one common share at \$0.40 until December 2, 2025. The Company allocated \$12,000 to contributed surplus for the fair value of the share purchase warrants.

On December 23, 2022, the Company issued 400,667 flow-through units at \$0.30 per unit for gross proceeds of \$120,200. Each unit was comprised of one flow-through common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable into one common share at \$0.45 until December 23, 2025.

**11. Share Capital (cont'd)**

**Issued:** (cont'd)

The Company recorded a flow-through premium of \$36,060 on this private placement. The Company is required to incur eligible flow-through expenditures totalling \$120,200 by December 31, 2023.

The Company paid finder's fees of \$2,412 and issued 8,040 finder's warrants. The finder's warrants are exercisable into common shares at \$0.45 until December 23, 2025. The fair value of the finder's warrants was \$482. The fair value was determined using the Black-Scholes option pricing model using the following assumptions:

Expected life of warrants	3 years
Annualized volatility	70%
Risk-free interest rate	4.25%
Dividend rate	0%
Forfeiture rate	0%

**Financing Facility:**

On September 1, 2021, the Company entered into a definitive agreement with Alumina Partners (Ontario) Ltd. which provided for financing of up to \$12,000,000 over a three-year period by way of a draw down equity financing facility. Alumina Partners is an affiliate of New York-based private equity firm Alumina Partners, LLC.

The investment agreement was structured for rapid access to equity private placement tranches of up to \$500,000 each. Each tranche will be a private placement of units comprising one common share and one-half of one share purchase warrant exercisable for three years.

The Company may elect to access funding as and when required at its sole discretion, and there are no standby charges or other upfront fees associated with the investment agreement. The units will be issued at a discount of 15% to 25% from the closing market price at the time each tranche is drawn down and the warrants will be issued at a 25% premium over the same closing market price. The expiry date of the warrants may be accelerated if the Company's common shares trade at equal to or greater than twice the exercise price for 20 consecutive days once the warrants are eligible to be exercised. Each unit issued under the investment agreement will be subject to the acceptance of the TSX Venture Exchange and the securities issued will be subject to a four-month hold period from the date of issuance. At January 31, 2024 and 2023, the Company has not accessed any financing from this financing facility.

**Stock Options:**

On November 28, 2023, the Company adopted the equity incentive plan, that provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, restricted share units ("RSU"), performance share units ("PSU") and deferred share units (collectively with the RSUs and PSUs, the "Performance-Based Awards") to eligible persons. The rolling stock option plan shall not exceed 10% of the Company's issued and outstanding shares from time to time, and the fixed 10% Performance-Based Awards shall not exceed 13,740,285 as at November 28, 2023.

Pursuant to the Company's stock option plan, the board of directors may grant to directors, officers and consultants incentive stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of the grant.

**11. Share Capital (cont'd)**

***Stock Options: (cont'd)***

Under the stock option plan, options are required to have an exercise price not less than the closing market price of the Company's common shares prevailing on the day that the option is granted less any applicable discount permitted by the policies of the TSX-V.

Options are granted for a maximum term of five years and vest on the date of the grant unless vesting terms are prescribed by regulatory policy or otherwise determined by the Company's Board of Directors.

There were no Performance-Based Awards granted during the year ended January 31, 2024.

**During the year ended January 31, 2024:**

On September 27, 2023, the Company granted 500,000 stock options to a consultant of the Company exercisable for a period of five years at \$0.45 per share. The stock options vest at the date of grant. The fair value of the stock option of \$25,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.11; Risk-free interest rate of 4.33%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 91.77%.

**During the Year Ended January 31, 2023:**

On September 7, 2022, the Company granted 100,000 stock options a consultant of the Company exercisable for a period of five years at \$1.00 per share.

The fair value of the options was \$16,000. The fair value was determined using the Black-Scholes option pricing model using the following assumptions:

Expected life of options	5 years
Annualized volatility	87%
Risk-free interest rate	3.23%
Dividend rate	0%
Forfeiture rate	0%

A summary of stock option activity for the years ended January 31, 2024 and 2023 is as follows:

	2024		2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	4,250,000	\$ 1.17	5,050,000	\$ 1.10
Granted	500,000	0.45	100,000	1.00
Forfeited	(100,000)	2.30	(900,000)	0.72
Options outstanding, end of year	4,650,000	\$ 1.07	4,250,000	\$ 1.17

At January 31, 2024, the weighted average remaining contractual life of the outstanding options is 1.99 years.

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**11. Share Capital (cont'd)**

***Stock Options: (cont'd)***

At January 31, 2024, there were 4,650,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of options outstanding	Exercise Price	Expiry Date
1,200,000	\$1.50	July 18, 2024
2,850,000	\$1.00	March 8, 2026
100,000	\$1.00	September 7, 2027
500,000	\$0.45	September 27, 2028
<b>4,650,000</b>		

***Share Purchase Warrants***

A summary of share purchase warrant activity for the years ended January 31, 2024 and 2023 is as follows:

	2024		2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of year	10,440,216	\$ 0.52	5,043,936	\$ 3.11
Issued	-	-	8,745,883	0.48
Expired	(1,694,333)	0.80	(3,349,603)	4.30
Warrants outstanding, end of year	<b>8,745,883</b>	<b>\$ 0.48</b>	<b>10,440,216</b>	<b>\$ 0.52</b>

At January 31, 2024, the weighted average remaining contractual life of the outstanding warrants is 1.35 years.

At January 31, 2024, there were 8,745,883 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of warrants Outstanding	Exercise Price	Expiry Date
2,664,472	\$0.55	July 22, 2024
295,255	\$0.43	July 22, 2024
181,250	\$0.55	September 16, 2024
400,000	\$0.40	December 2, 2025
4,418,333	\$0.45	December 2, 2025
578,200	\$0.45	December 2, 2025
200,333	\$0.45	December 23, 2025
8,040	\$0.45	December 23, 2025
<b>8,745,883</b>		

**12. Related Party Transactions and Balances**

The Company considers its Board of Directors to be key management personnel. The Company incurred the following key management compensation charges during the years ended January 31, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Exploration and evaluation costs	\$ 142,413	\$ 128,989
Consulting fees	10,075	21,821
Management fees	288,000	288,000
	<b>\$ 440,488</b>	<b>\$ 438,810</b>

At January 31, 2024, accounts payable and accrued liabilities included \$193,316 (2023: \$43,518) due to directors of the Company and to a company with a director in common with the Company for advances and services provided. Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

**13. Financial Instruments and Risk Management**

At January 31, 2024 and 2023, the Company's financial instruments consist of cash, and accounts payable.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

***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 held in bank accounts. The Company's cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

***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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from financing activities and its holdings of cash.

Historically, the Company's primary source of funding has been 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. See Note 2.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at January 31, 2024:

	<b>Within one year</b>	<b>Between one and five years</b>	<b>More than five years</b>
Accounts payable and accrued liabilities	\$ 1,952,587	\$ -	\$ -

**13. Financial Instruments and Risk Management (cont'd)**

***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

***Foreign exchange risk***

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currencies. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The Company's Mexican subsidiary is exposed to currency risk as it incurs expenditures that are denominated in Mexican pesos while its functional currency is the Canadian dollar.

The following is an analysis of the Canadian dollar equivalent of financial assets and liabilities that are denominated in Mexican pesos:

	<b>2024</b>	<b>2023</b>
Cash	\$ 3,129	\$ 740
Accounts payable and accrued liabilities	(944,097)	(598,605)
	<b>\$ (940,968)</b>	<b>\$ (597,865)</b>

Based on the above net exposure, at January 31, 2024, a 10% change in the exchange rate of the Mexican peso in relation to the Canadian dollar would impact the Company's net income or loss by approximately \$94,100 (2023 – \$59,800).

The Company is also exposed to currency risk as it incurs expenditures that are denominated in US dollars while its functional currency is the Canadian dollar.

The following is an analysis of the Canadian dollar equivalent of financial assets and liabilities that are denominated in US dollars:

	<b>2024</b>	<b>2023</b>
Cash	\$ 3,524	\$ 4,961

Based on the above net exposure, at January 31, 2024, a 10% change in the exchange rate of the US dollar in relation to the Canadian dollar would impact the Company's net income or loss by approximately \$350 (2023 – \$500).

***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's cash is exposed to interest rate risk. The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available.

**13. Financial Instruments and Risk Management (cont'd)**

***Classification of financial instruments***

Financial assets included in the consolidated statements of financial position are as follows:

	<b>2024</b>	<b>2023</b>
Fair value through profit or loss:		
Cash	\$ 122,106	\$ 2,088,001

Financial liabilities included in the consolidated statements of financial position are as follows:

	<b>2024</b>	<b>2023</b>
Amortized cost:		
Accounts payable and accrued liabilities	\$ 1,952,587	\$ 790,369

***Fair values***

The fair values of the Company's financial assets and liabilities approximate their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial instruments measured at fair value on a recurring basis at January 31, 2024 and 2023:

	<b>2024</b>		
	Level 1	Level 2	Level 3
Cash	\$ 122,106	\$ -	\$ -
	<b>2023</b>		
	Level 1	Level 2	Level 3
Cash	\$ 2,088,001	\$ -	\$ -

**14. Segmented Information**

***Operating segment***

The Company operates in a single reportable operating segment which is the acquisition, exploration and evaluation of mineral properties.

***Geographic segments***

The Company's non-current assets at January 31, 2024 and 2023 are in the following countries:

	<b>2024</b>		
	Canada	Mexico	Total
Equipment	\$ 70,855	\$ 2,926	\$ 73,781
Reclamation deposits	195,635	-	195,635
Exploration and evaluation assets	44,438,057	-	44,438,057
	<b>\$ 44,704,547</b>	<b>\$ 2,926</b>	<b>\$ 44,707,473</b>
	<b>2023</b>		
	Canada	Mexico	Total
Equipment	\$ 89,777	\$ 3,657	\$ 93,434
Reclamation deposits	181,635	-	181,635
Exploration and evaluation assets	42,802,005	-	42,802,005
	<b>\$ 43,073,417</b>	<b>\$ 3,657</b>	<b>\$ 43,077,074</b>

**15. Non-cash Transactions**

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the years ended January 31, 2024 and 2023, the following transactions were excluded from the consolidated statements of cash flows:

	<b>2024</b>	<b>2023</b>
Depreciation on equipment capitalized to exploration and evaluation assets	\$ 18,763	\$ 23,972
Fair value of finder's warrants issued on private placements	\$ -	\$ 76,387
Shares issued for exploration and evaluation assets	\$ 12,000	\$ 9,375
Property taxes (Mexico) included in accounts payable	\$ 345,492	\$ 293,485
Reclassified flow-through premium to share capital	\$ 223,623	\$ -
BCMETS receivable included in exploration and evaluation assets	\$ -	\$ 158,231

**16. Income Taxes**

A reconciliation of the expected income tax (expense) recovery to the actual income tax recovery is as follows:

	<b>2024</b>	<b>2023</b>
Net loss before income taxes	\$ (1,382,033)	\$ (2,920,740)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	\$ (373,400)	\$ (788,599)
Exploration assets - flow-through shares	(270,000)	1,366,521
Permanent and other differences	(88,600)	(58,549)
Change in unrecognized deferred tax assets	107,000	23,627
Deferred income tax expense (recovery)	<b>\$ (625,000)</b>	<b>\$ 543,000</b>

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**16. Income Taxes (cont'd)**

The components of the Company's Canadian deferred tax assets and liabilities are as follows:

	<b>2024</b>	<b>2023</b>
Expected tax recovery rate	27%	27%
Book value in excess of tax value of exploration assets	\$ (6,328,000)	\$ (6,592,141)
Non-capital loss carry-forwards	3,362,500	2,983,009
Share issue costs	59,400	83,208
Capital cost allowance in excess of book value of equipment	104,400	99,303
Total deferred income tax assets (liabilities)	(2,801,700)	(3,426,621)
Unrecognized deferred tax assets	(210,300)	(210,379)
Net deferred tax assets (liabilities)	\$ (3,012,000)	\$ (3,637,000)

The potential benefit of Mexican net operating tax loss carry-forwards and other Mexican deferred tax assets has not been recognized in the consolidated financial statements since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years. The approximate tax effects of each type of temporary difference that gives rise to deferred tax assets are as follows:

	<b>2024</b>	<b>2023</b>
Mexican statutory rate	30%	30%
Mexican tax losses carried forward	\$ 597,092	\$ 443,598
Book value of equipment in excess of tax basis	(878)	(1,097)
Total deferred income tax assets (liabilities)	596,214	442,501
Unrecognized deferred tax assets	(596,214)	(442,501)
Net deferred tax assets (liabilities)	\$ -	\$ -

**16. Income Taxes (cont'd)**

At January 31, 2024, the Company has \$12,453,380 (2023: \$11,048,184) in non-capital tax losses available to reduce future Canadian taxable income. Additionally, the Company has \$1,989,576 (2023: \$1,478,660) in tax losses available to reduce future Mexican taxable income. The Company's Canadian non-capital tax losses and Mexican tax losses, if unused, expire as follows:

Year of Expiry	Canada	Mexico
2024	-	121,704
2025	-	56,988
2027	-	72,819
2028	56,215	66,722
2029	606,598	67,049
2030	-	76,325
2031	922,759	375,051
2032	867,443	350,702
2033	558,049	406,156
2034	492,270	396,060
2035	844,455	-
2036	680,687	-
2037	622,585	-
2038	873,433	-
2039	957,058	-
2040	904,535	-
2041	999,692	-
2042	903,708	-
2043	758,311	-
2044	1,405,582	-
	\$ 12,453,380	\$ 1,989,576

**17. Capital Management**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. To facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure to it to effectively support the Company's objectives. To pay for general administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to explore its mineral properties.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital is comprised of shareholders' equity. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There were no changes in the Company's approach to capital management during the years ended January 31, 2024 and 2023.