African Energy Metals Inc.

CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2023 and 2022

(Expressed in United States Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Suite 1605, 1166 Alberni Street
Vancouver, BC Canada V6E 3Z3

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of African Energy Metals Inc.

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had no revenues, had negative cash flows from operations of $101,994, and incurred a net loss of $756,734 during the year ended December 31, 2023 and, as of that date, the Company had a working capital deficit of $679,763 and an accumulated deficit of $29,155,349. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

August 27, 2024

(Expressed in United States dollars)

	Notes		December 31, 2023		December 31, 2022
ASSETS					
Current assets					
Cash		$	1,045	$	62,745
Accounts receivable			5,256		15,006
Prepaid expenses			1,636		16,093
TOTAL ASSETS		**$**	**7,937**	**$**	**93,844**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	4,6	$	666,284	$	249,777
Loans payable	7		21,416		-
TOTAL LIABILITIES			**687,700**		**249,777**
SHAREHOLDERS' DEFICIT					
Share capital	5		19,951,931		19,756,172
Reserves	5		8,442,791		8,430,469
Share subscriptions receivable	5		-		(36,881)
Accumulated other comprehensive income			80,864		92,922
Deficit			(29,155,349)		(28,398,615)
SHAREHOLDERS' DEFICIT			**(679,763)**		**(155,933)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$**	**7,937**	**$**	**93,844**

Nature of operations and going concern (Note 1)
Subsequent event (Note 10)

On behalf of the Board of Directors:

“Stephen Barley” Director   “Joe Sandberg” Director

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

(Expressed in United States dollars)

	Notes		Year ended December 31, 2023		Year ended December 31, 2022
EXPENSES					
Filing fees		$	29,210	$	31,404
Investor relations			785		74,082
Management fees and consulting fees	6		216,076		288,255
Office expense			15,884		10,213
Professional fees			97,453		214,822
Project generation	3,5		321,313		17,975
Share-based payments	5,6		12,322		92,906
Travel and accommodation			62,922		95,086
TOTAL EXPENSES			755,965		824,743
NET LOSS BEFORE OTHER INCOME (EXPENSE)			(755,965)		(824,743)
OTHER INCOME (EXPENSE)					
Interest expense			(1,064)		-
Impairment of exploration and evaluation assets	3		-		(372,826)
Gain on foreign exchange			295		3,070
TOTAL OTHER INCOME (EXPENSE)			(769)		(369,756)
NET LOSS		**$**	**(756,734)**	**$**	**(1,194,499)**
OTHER COMPREHENSIVE LOSS					
Exchange difference on translation			(12,058)		9,616
TOTAL COMPREHENSIVE LOSS		**$**	**(768,792)**	**$**	**(1,184,883)**
Basic and diluted loss per share		**$**	**(0.04)**	**$**	**(0.08)**
Weighted average number of shares outstanding			**20,061,171**		**15,679,820**

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

(Expressed in United States dollars)

	Share Capital						
	Number	Amount	Reserves	Share subscriptions receivable	Accumulated other comprehensive income	Deficit	Total
Balance at December 31, 2021	14,055,494	$ 19,097,123	$ 8,229,425	$ -	$ 83,306	$ (27,204,116)	$ 205,738
Private placement	3,500,000	414,800	109,829	(36,881)	-	-	487,748
Shares issued for property	1,687,500	252,965	-	-	-	-	252,965
Share issuance costs	-	(8,703)	(1,691)	-	-	-	(10,394)
Share-based payments	-	-	92,906	-	-	-	92,906
Shares cancelled	(42)	(13)	-	-	-	-	(13)
Exchange difference on	-	-	-	-	9,616	-	9,616
Net loss	-	-	-	-	-	(1,194,499)	(1,194,499)
Balance at December 31, 2022	19,242,952	$ 19,756,172	$ 8,430,469	$ (36,881)	$ 92,922	$ (28,398,615)	$ (155,933)
Shares issued for project	825,000	195,759	-	-	-	-	195,759
Share subscription received	-	-	-	36,881	-	-	36,881
Share-based payments	-	-	12,322	-	-	-	12,322
Exchange difference in translation	-	-	-	-	(12,058)	-	(12,058)
Net loss	-	-	-	-	-	(756,734)	(756,734)
Balance at December 31, 2023	**20,067,952**	**$ 19,951,931**	**$ 8,442,791**	**$ -**	**$ 80,864**	**$ (29,155,349)**	**$ (679,763)**

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

(Expressed in United States dollars)

	Year ended December 31, 2023	Year ended December 31, 2022
Operating activities		
Net loss	$ (756,734)	$ (1,194,499)
Items not affecting cash		
Share-based payments	12,322	92,906
Impairment of exploration and evaluation assets	-	372,826
Shares issued for project generation	195,759	-
Interest expense	672	-
Changes in non-cash working capital items:		
Accounts receivable	9,388	12,137
Prepaid expenses	14,069	35,683
Trade payables and accrued liabilities	422,530	212,492
Net cash outflow from operating activities	**(101,994)**	**(468,455)**
Investing activities		
Exploration and evaluation assets	-	(117,990)
Net cash outflow from investing activities	**-**	**(117,990)**
Financing activities		
Proceeds from issuance of common shares	-	487,748
Share issuance costs	-	(10,394)
Share subscription received	36,881	-
Loans from related parties	20,732	-
Net cash inflow from financing activities	**57,613**	**477,354**
Effect of foreign exchnage rate changes on cash	(17,319)	6,816
Decrease in cash	(61,700)	(102,275)
Cash, beginning of year	62,745	165,020
Cash, end of year	**$ 1,045**	**$ 62,745**
Non-cash investing and financing activities:		
Issuance of common shares for property	$ -	$ 252,965

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

1. Nature of Operations and Going Concern

On March 27, 2007, African Energy Metals Inc. (“the Company”), was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia). The Company’s registered office is located at 2900 – 550 Burrard Street, Vancouver, BC V6C 0A3. On August 25, 2020, the Company changed its name to Central African Gold Inc. On February 7, 2022, the Company changed its name to African Energy Metals Inc. and was trading on the TSX Venture Exchange (“TSX-V”) under the symbol CUCO. The Company’s principal activity is the acquisition and exploration of mineral properties.

Going Concern

These consolidated financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

As at December 31, 2023, the Company had not yet achieved profitable operations. During the year ended December 31, 2023, the Company incurred a net loss of $756,734 (December 31, 2022 – $1,194,499) and had a cash outflow from operating activities of $101,994 (December 31, 2022- $468,455). As of December 31, 2023, the Company had a working capital deficit of $679,763 (December 31, 2022 –$155,933) and an accumulated deficit of $29,155,349 (December 31, 2022 – $28,398,615).

The Company’s continuing existence and its ability to discharge its liabilities and fulfill its commitments as they come due is dependent upon the ability of the Company to obtain equity and/or debt financing and the successful discovery of mineral resources that the Company can profitably commercialize. Management plans to continue exploring the Company’s mineral concessions in order to achieve a commercial discovery that will generate sustainable, long-term profitability and obtain additional financing, if needed. While the Company has been successful at securing financing in the past, there can be no assurance that it will be able to do so in the future. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policy Information

These consolidated financial statements were authorized for issuance by the directors of the Company on August 27, 2024.

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

Basis of preparation

These consolidated financial statements of the Company have been prepared on a historical cost basis. These consolidated financial statements are presented in United States dollars unless otherwise specified.

2. Material Accounting Policy Information (continued)

Basis of consolidation

The consolidated financial statements of the Company as at December 31, 2023 include the accounts of its wholly-owned subsidiary, Bankers Cobalt Acquisition Corp., located in Canada.

All significant intercompany transactions and balances are eliminated on consolidation.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during this year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, fair value of share-based compensation, and unrecognized deferred income tax assets.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Going concern - The Company's assessment of its ability to continue as a going concern requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

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

2. Material Accounting Policy Information (continued)

Foreign currency translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The Company has a functional currency of Canadian dollars. The Company's subsidiaries have a functional currency of United States dollars.

The consolidated financial statements are presented in United States dollars.

Transactions and balances

Transactions in foreign currencies are initially recorded into the functional currency by applying the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the consolidated statement of financial position date. Nonmonetary assets and liabilities are translated at historical exchange rates, unless the item is carried at fair value, in which case it will be translated at the exchange rate in effect at the date when the fair value was determined. Resulting foreign exchange gains and losses are recognized in the consolidated statement of loss.

Foreign exchange rates used for currency translation in the consolidated financial statements are:

Period end rates		**US to CDN**		**CDN to US**
December 31, 2022	$	1.3544	$	0.7383
December 31, 2023	$	1.3226	$	0.7561
Average rates				
Year ended December 31, 2022	$	1.3011	$	0.7692
Year ended December 31, 2023	$	1.3495	$	0.7410

Exploration and evaluation assets

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the acquisition cost of the exploration and evaluation assets acquired.

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition costs

The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments, including common shares and share purchase warrants.

2. Material Accounting Policy Information (continued)

***Exploration and evaluation assets* (continued)**

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling and mobilization costs, payments made to contractors and depreciation on plant and equipment used during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated recoveries, are written off to the consolidated statement of loss.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Option agreements

The Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under an option agreement. Option agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, at the discretion of the optionee.

The Company recognizes amounts payable under an option agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under an option agreement only when the optionee has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under option agreements reduce the capitalized costs of the optioned unproven mineral interest to nil and are then recognized as income.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. The Company records proceeds from the exercise of stock options and warrants as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at an amount based on fair market value. The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis on a relative fair value basis, wherein, the fair value of the common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

2. Material Accounting Policy Information (continued)

Share-based payments

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 corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes option pricing model which incorporates all market vesting conditions. 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.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following summarizes the classification under IFRS 9 for each financial instrument:

Financial asset/liability	Classification
Cash	Amortized cost
Trades payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost:

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL:

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statement of loss in the period in which they arise.

2. Material Accounting Policy Information (continued)

Financial Instruments **(continued)**

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statement of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statement of loss.

Impairment of assets

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

2. Material Accounting Policy Information (continued)

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercise were used to acquire common shares at the average market price during the reporting period. As at December 31, 2023, the Company had 3,036,250 (2022 – 7,159,674) potentially issuable shares from outstanding stock options and warrants.

2. Material Accounting Policy Information (continued)

Restoration and environmental obligations

The Company recognizes liabilities for legal and constructive obligations associated with the retirement of mineral properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in the regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

The Company did not have significant restoration provisions at December 31, 2023.

Recent Accounting Pronouncements

As of the date of authorization of these consolidated financial statements, certain new standards and amendments to existing standards have been published by the IASB that are not yet effective and have not been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments are either not adopted or are not expected to have a material impact on the Company's consolidated financial statements.

3. Exploration and Evaluation Assets

Acquisition of interest in joint-venture with Liberty Mining:

On March 3, 2022, the Company entered into a definitive assignment agreement with Whiskey Cobalt Mining SASU ("WCM") to acquire 100% interest in an option agreement with Liberty Mining and Investments Sarl ("Liberty") to enter a 50/50 joint venture with Liberty. Liberty owns 100% of concession PE 8251 located in the Democratic Republic of the Congo ("DRC"). As part of the acquisition cost, the Company paid $70,000 to Liberty and $47,990 (CDN$65,000) to Lockwood Financial Ltd. The Company also issued 625,000 common shares with a fair value of $87,399 (CDN$112,500) to WCM and paid finder's fee of 62,500 common shares with a fair value of $8,740 (CDN$11,250).

During the year ended December 31, 2022, the Company had no further plans to continue exploration on the property given the uncertainty of obtaining financing to continue exploration and recorded an impairment loss of $216,000.

(Expressed in United States dollars)

3. Exploration and Evaluation Assets (continued)

Acquisition of interest in joint-venture with E29 Resources:

On June 20, 2022, the Company entered into a rights assignment agreement with AuClair ECC SASU ("AuClair") to acquire 100% interest in a binding letter agreement with E29 Resources Sarl ("E29") regarding a 70/30 joint venture and option on concession PEPM 4582 located in the Manono region of the DRC. The Company issued 625,000 common shares with a fair value of $98,016 (CDN$125,000) to AuClair and 250,000 common shares with a fair value of $39,206 (CDN$50,000) to E29. As part of the acquisition, the Company also issued 125,000 common shares as finders' fee with a fair value of $19,604 (CDN$25,000). On September 1, 2022, the Company terminated the agreement and recorded an impairment loss of $156,826 (CDN$200,000).

Assignment Agreement with AuClair

On January 3, 2023, the Company entered into an assignment agreement with AuClair to acquire 100% interest in an agreement with Amur Sarl ("Amur") regarding a 60/40 joint venture on the project. The project is held 100% by Compagnie Miniere de Kalehe SA ("CMK") which is a joint venture between Amur and Societe Aurifere du Kivu et du Maniema SA ("Sakima"). The Company would acquire a 60% interest in CMK. In consideration of the assignment, the Company issued 750,000 common shares with a fair value of $177,963 (CDN $240,000) to AuClair, and will pay $150,000 to Amur upon successful completion of due diligence and execution of formal agreements. The Company also paid a finder's fee of 75,000 common shares with a fair value of $17,796 (CDN $24,000) to arm's length parties in accordance with TSX-V policies (Note 5).

On August 11, 2023, the assignment agreement was terminated and the Company recorded the fair value of shares issued of $195,759 as project generation costs in the consolidated statement of loss.

4. Trade Payables and Accrued Liabilities

	December 31, 2023	December 31, 2022
Trade payables (Note 6)	$ 618,631	$ 179,512
Accrued and other liabilities	47,653	70,265
Total	**$ 666,284**	**$ 249,777**

5. Share Capital and Reserves

Effective April 10, 2023, the Company consolidated all its issued and outstanding common shares on the basis of 1 new share for every 4 old shares. All references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been retrospectively restated for the share consolidation, including all such numbers presented for the prior periods.

5. Share Capital and Reserves

Authorized share capital

An unlimited number of common shares without par value.

As at December 31, 2023, there were 20,067,952 (December 31, 2022 – 19,242,952) common shares issued and outstanding.

Issued share capital

Shares transactions during the year ended December 31, 2023

On January 3, 2023, the Company issued 750,000 common shares with a fair value of $177,963 (CDN$240,000) to AuClair in connection with the assignment agreement (Note 3). As a finder's fee for the agreement, the Company issued 75,000 common shares with a fair value of $17,796 (CDN$24,000).

Shares transactions during the year ended December 31, 2022

On February 22, 2022, 42 common shares were cancelled pursuant to shareholder forfeiture of common shares.

On June 24, 2022, the Company completed a non-brokered private placement of 1,500,000 units at CDN$0.20 per unit for proceeds of $231,964 (CDN$300,000). Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of CDN$0.60 per share expiring on June 24, 2024. The allocation of the fair value of the private placement for the warrants was $39,643 and was determined using the Black-Scholes option pricing model with a risk-free rate of 3.09%, volatility of 124%, no expected dividends, and an expected life of two years.

On July 27, 2022, the Company issued 687,500 common shares with a fair value of $96,139 to acquire mineral property interests held by Liberty (Note 3).

On August 11, 2022, the Company issued 1,000,000 common shares with a fair value of $156,826 to acquire mineral property interests held by E29 (Note 3).

On October 19, 2022, the Company closed the first tranche of its non-brokered private placement of 650,000 units at CDN$0.20 per unit for proceeds of $94,346 (CDN$130,000). Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of CDN$0.40 per share expiring on October 19, 2024. The allocation of the fair value of the private placement for the warrants was $20,633 was determined using the Black-Scholes option pricing model with a risk-free rate of 4.14%, volatility of 137%, no expected dividends, and an expected life of two years.

(Expressed in United States dollars)

5. Share Capital and Reserves (continued)

Shares transactions during the year ended December 31, 2022 (continued)

On December 16, 2022, the Company closed the second tranche of its non-brokered private placement of 600,000 units at CDN$0.20 per unit for proceeds of $87,675 (CDN$120,000). Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of CDN$0.40 per share expiring on December 16, 2024. The allocation of the fair value of the private placement for the warrants was $21,582 and was determined using the Black-Scholes option pricing model with a risk-free rate of 3.58%, volatility of 143%, no expected dividends, and an expected life of two years.

On December 29, 2022, the Company closed the final tranche of its non-brokered private placement of 750,000 units at CDN$0.20 per unit for proceeds of $110,644 (CDN$150,000). Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of CDN $0.40 per share expiring on December 29, 2024. The allocation of the fair value of the private placement for the warrants was $28,044 and was determined using the Black-Scholes option pricing model with a risk-free rate of 3.92%, volatility of 144%, no expected dividends, and an expected life of two years. During the year ended December 31, 2022, the Company incurred finders fees of $10,394, of which $1,691 was allocated to share-based reserves.

Warrants

Warrant transactions for the years ended December 31, 2023 and 2022:

	Warrants	Price (CDN$)
Balance, December 31, 2021	4,229,814	0.64
Issued	1,750,000	0.49
Expired	(43,890)	0.40
Balance, December 31, 2022	5,935,924	0.49
Expired	(4,185,924)	0.49
Balance, December 31, 2023	**1,750,000**	**0.49**

Warrants outstanding at December 31, 2023 are as follows:

Outstanding Warrants	Exercise Price (CDN$)	Expiry Date
750,000	0.60	June 24, 2024
325,000	0.40	October 19, 2024
300,000	0.40	December 16, 2024
375,000	0.40	December 29, 2024
1,750,000		

(Expressed in United States dollars)

5. Share Capital and Reserves (continued)

Stock Options

The Company adopted a stock option plan whereby the Board of Directors may grant employees, consultants, directors and officers share purchase options. The aggregate number of options reserved for issuance may not exceed 10% of the Company's issued and outstanding shares at the date of the grant. In any twelve-month period, the Company will not grant more than 2% of the issued and outstanding shares of the Company to any one consultant or any one individual performing investor relations activities. The options vest in stages over twelve months, with no more than one-quarter of the options vesting over any three-month period.

Stock option transactions for the years ended December 31, 2023 and 2022:

	Stock Options	Price (CDN$)
Balance, December 31, 2021	1,363,437	1.31
Granted	573,750	0.23
Expired	(6,250)	26.40
Cancelled	(707,187)	1.00
Balance, December 31, 2022	1,223,750	0.53
Granted	62,500	0.28
Balance, December 31, 2023	**1,286,250**	**0.52**

Stock options outstanding at December 31, 2023 and 2022 are as follows:

Outstanding and Exercisable Options	Exercise Price (CDN$)	Expiry Date
75,000	0.40	September 28, 2025
250,000	0.80	March 31, 2026
400,000	0.80	October 4, 2026
498,750	0.20	November 23, 2027
62,500	0.28	February 6, 2028
1,286,250		

Stock-based compensation for the year ended December 31, 2023 was $12,322 (December 31, 2022 – $92,906). The fair value of options granted was determined using the Black-Scholes pricing model, assuming no expected dividends or forfeitures:

	Years ended December 31,	
	2023	2022
Exercise price	$ 0.28	$ 0.23
Risk-free interest rate	3.04%	3.15%
Expected life (years)	5	4
Estimated volatility	169.71%	168.53%

(Expressed in United States dollars)

6. Related Party Transactions

Related party transactions for the years ended December 31, 2023 and 2022 are as follows:

Years ended	December 31, 2023	December 31, 2022
Management fees and consulting fees	$ 120,976	$ 92,280
Share-based payments	-	16,877
	$ 120,976	$ 109,157

As at December 31, 2023, the Company owes $117,203 (December 31, 2022 - $33,721) to a company controlled by a director of the Company.

As at December 31, 2023, the Company owes $30,621 (December 31, 2022 - $nil) to a company controlled by the former Chief Financial Officer of the Company.

7. Loans Payable

As at December 31, 2023, the Company owes a principal balance of $7,500 (December 31, 2022 - $nil) and accrued interest of $74 (December 31, 2022 - $nil) to a director of the Company, which is unsecured, bears interest at 8% per annum compounded semi-annually, and due on demand.

As at December 31, 2023, the Company owes a principal balance of $12,476 (CDN$16,500) (December 31, 2022 - $nil) and accrued interest of $610 (December 31, 2022 - $nil) to a company controlled by the former Chief Financial Officer of the Company, which is unsecured, bears interest at 8% per annum compounded semi-annually, and matures on May 17, 2024.

As at December 31, 2023, the Company owes $756 (CDN$1,000) (December 31, 2022 - $nil) to a company controlled by a former director of the Company, which is unsecured, non-interest bearing, and due on demand.

8. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument-related risks. Management 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 summarized 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 cash is deposited in a bank account in Canada. 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 a bank that is a high credit quality financial institution as determined by rating agencies.

8. Financial Risk and Capital Management (continued)

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 on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from financing and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements or through proceeds from loans. The Company's access to financing is uncertain. There can be no assurance of continued access to necessary levels of equity funding (Note 1). Management may require seeking additional sources of financing in the form of equity or debt financing in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Foreign exchange risk

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

A significant change in the currency exchange rate between the Canadian dollar relative to the U.S. dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

A 10% change in the Canadian dollar to the U.S. dollar exchange rate would impact the Company's net loss by $58,400.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

(Expressed in United States dollars)

8. Financial Risk and Capital Management (continued)

Fair value

The Company's financial instruments consist of cash, and trade payables and accrued liabilities. The fair values of cash, and trade payables and accrued liabilities approximate their carrying values due to their short-term maturity.

IFRS establishes a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted prices in active markets for the same instrument.

Level 2 – Valuation techniques for which significant inputs are based on observable market data.

Level 3 – Valuation techniques for which any significant input is not based on observable market data.

9. Income taxes

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

	December 31, 2023	December 31, 2022
Canadian statutory tax rate	27%	27%
	$	$
Income tax recovery and statury rate	(204,318)	(322,515)
Tax effect of:		
Permanent differences and other	3,327	122,955
True up of prior year difference	-	(94,541)
Chage in urecognized deferred income tax assets	200,991	294,101
Income tax provision	-	-

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

	December 31, 2023	December 31, 2022
	$	$
Deferred income tax assets:		
Non -capital losses carried forward	3,098,782	2,893,804
Share issuance costs	5,773	9,760
Expploration and evaluation assets	283,632	283,632
Total gross deferred income tax assets	3,388,187	3,187,196
Unrecognized deferred income tax assets	(3,388,187)	(3,187,196)
Net deferred income tax asset	-	-

(Expressed in United States dollars)

9. Income taxes (continued)

As at December 31, 2023, the Company has Canadian non-capital losses carried forward of $11,476,971 (December 31, 2022 - $10,717,790) which are available to offset future years' taxable income. These losses expires as follows:

	$
2029	22,457
2030	182,341
2031	272,573
2032	168,859
2033	561,077
2034	288,289
2035	561,970
2036	522,343
2037	1,131,772
2038	2,007,883
2039	683,439
2040	1,510,937
2041	2,049,475
2042	754,375
2043	759,181
	11,476,971

In addition to the above noted loss carry-forwards, the Company has available approximately $1,050,490 in Canadian exploration and development expenditures which may be deducted from taxable income in future years without expiry.

10. Subsequent event

Warrants

On June 24, 2024, 750,000 share purchase warrants with an exercise price of $0.60 per share expired unexercised.