



Brigadier Gold Limited

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the Nine Months Ended  
September 30, 2023 and 2022  
(Unaudited - Expressed in Canadian Dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with national instrument 51-102 part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Brigadier Gold Limited. (the "company") for the nine months ended September 30, 2023, have been prepared by and are the responsibility of the company's management, and have not been reviewed by the company's auditors.

**Brigadier Gold Limited**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Unaudited - Expressed in Canadian Dollars)**

	September 30 2023	December 31 2022
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 139,916	\$ 494,461
Restricted cash (Note 4)	28,750	28,750
Receivables	60,724	52,097
Prepaid expenses	2,416	867
	231,806	576,175
<b>Total Assets</b>	\$ 231,806	\$ 576,175
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 268,456	\$ 338,397
<b>Total Liabilities</b>	268,456	338,397
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 6)	19,941,442	15,792,012
Warrant Reserve	292,184	-
Contributed Surplus	8,023,379	8,547,909
Deficit	(28,293,655)	(24,102,143)
<b>Total Equity</b>	(36,650)	237,778
<b>Total Liabilities and Shareholders' Equity</b>	\$ 231,806	\$ 576,175

Nature of operations and Going Concern (Note 1)  
 Commitments (Note 12)

The financial statements were approved and authorized for issue by the Board of Directors on November 29, 2023. They were signed on the Company's behalf by:

"Robert Birmingham"  
 Director

"Garry Clark"  
 Director

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

**Brigadier Gold Limited**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**(Unaudited - Expressed in Canadian Dollars)**

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
<b>Expenses</b>				
Consulting (Note 8)	99,645	71,635	421,345	220,890
Exploration and evaluation expenses (Note 5)	207,020	-	3,500,715	123,621
Foreign exchange loss	3,083	30,153	424	33,213
General and administration	7,712	14,206	26,390	35,255
Management fees (Note 8)	30,000	19,400	90,000	57,259
Marketing	25,000	-	96,567	(4,314)
Professional fees	4,184	9,397	18,201	11,897
Shareholder communication, filing and transfer agent fees	8,337	2,086	37,870	10,473
	(374,329)	(146,877)	(4,191,512)	(488,384)
Loss on disposal of E&E asset	-	-	-	(12,152)
Interest income	-	-	-	119
<b>Loss and Comprehensive Loss for the Period</b>	<b>(374,329)</b>	<b>(146,877)</b>	<b>(4,191,512)</b>	<b>(500,417)</b>
<b>Loss Per Share, basic and diluted</b>	<b>(0.003)</b>	<b>(0.002)</b>	<b>(0.038)</b>	<b>(0.006)</b>
Weighted Average Number of Common Shares Outstanding	127,764,206	77,789,693	111,322,328	77,693,722

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

**Brigadier Gold Limited**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Unaudited - Expressed in Canadian Dollars)**

	<b>Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Provided By (Used In):</b>		
<b>Operating Activities</b>		
Loss for the year	(4,191,512)	(500,417)
Items not affecting cash:		
Depreciation of exploration equipment	-	4,944
Loss on disposal of E&E asset	-	12,152
Shares issued for exploration and evaluation expense (Note 5)	3,200,250	5,000
Net changes in non-cash operating working capital items:		
Receivable	(8,627)	(1,250)
Prepaid expenses and receivables	(1,549)	7,401
Accounts payable and accrued liabilities	(69,941)	172,457
	<u>(1,071,379)</u>	<u>(299,713)</u>
<b>Investing Activities</b>	<u>-</u>	<u>-</u>
<b>Financing Activities</b>		
Proceeds from shares issued in private placement (Note 6)	<u>716,833</u>	<u>-</u>
<b>Change In Cash</b>	(354,546)	(299,713)
<b>Cash, Beginning of Period</b>	<u>494,461</u>	<u>948,569</u>
<b>Cash, End of Period</b>	<u>139,916</u>	<u>648,856</u>

Supplemental Cash flow Information (Note 11)

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

**Brigadier Gold Limited**  
**Condensed Interim Consolidated Statements of Changes in Shareholders Equity**  
**(Unaudited - Expressed in Canadian Dollars)**

	Share Capital		Warrant Reserve	Contributed Surplus	Deficit	Total Equity
	Shares	Amount				
		\$	\$	\$	\$	\$
<b>December 31, 2021</b>	77,589,693	15,787,012	235,493	8,312,416	(23,544,288)	790,633
Issuance of shares for E&E property option	200,000	5,000	-	-	-	5,000
Loss for the period	-	-	-	-	(500,417)	(500,417)
<b>September 30, 2022</b>	<b>77,789,693</b>	<b>15,792,012</b>	<b>235,493</b>	<b>8,312,416</b>	<b>(24,044,705)</b>	<b>295,216</b>
<b>December 31, 2022</b>	77,789,693	15,792,012	-	8,547,909	(24,102,143)	237,778
Shares issued for acquisition of 1000196193 Ontario Ltd. (Note 5)	35,000,000	2,975,000	-	-	-	2,975,000
Shares issued for finder's fee (Note 5)	2,450,000	208,250	-	-	-	208,250
Shares issued for E&E property option (Note 5)	200,000	17,000	-	-	-	17,000
Shares issued for private placement (Note 6)	11,124,513	778,716	-	-	-	778,716
Share issuance costs (Note 6)	-	(94,832)	32,950	-	-	(61,882)
FV warrants issued private placement (Note 6)	-	(259,234)	259,234	-	-	-
Shares issued on exercise of RSU's (Note 6)	1,200,000	524,530	-	(524,530)	-	-
Loss for the period	-	-	-	-	(4,191,512)	(4,191,512)
<b>September 30, 2023</b>	<b>127,764,206</b>	<b>19,941,442</b>	<b>292,184</b>	<b>8,023,379</b>	<b>(28,293,655)</b>	<b>(36,650)</b>

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

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**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Nine Months Ended September 30, 2023 and 2022**  
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**1. Nature of Operations and Going Concern**

Brigadier Gold Limited (the “Company”) was incorporated under the Corporations Act (Ontario) and was continued into British Columbia under the Business Corporations Act (British Columbia) on June 19, 2020. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol BRG. The address of the Company’s registered office is 300 Bellevue Centre, 235 – 15th Street, West Vancouver, BC, V7T 2X1.

These condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a “going concern”, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has reported successive operating losses and has limited capital resources. The Company will require additional funding to continue operations for the next 12 months. The successive operating losses, together with the challenges of securing requisite funding have resulted in material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

**2. Basis of Presentation**

(a) Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim consolidated financial statements were approved by the Board of Directors on November 29, 2023.

(b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss which are measured at fair value.

**Basis of consolidation**

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities which the Company controls, either directly or indirectly, where control is defined as the power to govern an entity’s financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. All inter-company transactions and balances have been eliminated upon consolidation. The Company’s subsidiaries are as follows:

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries; 1000196193 Ontario Ltd., an active entity which holds the Nemaska2

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lithium property and two wholly-owned inactive subsidiaries; 1848246 Ontario Inc. and Incahusai Exploraciones S.A., (Mexico).

All inter-company balances, transactions, revenues and expenses have been eliminated.

*Significant accounting judgments and estimates:*

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The preparation of the condensed interim consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an on-going basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its judgments and estimates. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

*The following are items involving key judgment and estimates:*

Significant judgments

*Going concern*

These condensed interim consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, deferral of commitments, negotiation of supplier terms and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and to satisfy their obligations as they become due.

*Income taxes*

Management is required to make estimations regarding the tax basis of assets and liabilities and related deferred income tax assets and liabilities, the measurement of income tax expense, and indirect taxes. The Company is subject to assessments by tax authorities who may interpret tax law differently. These factors may affect the final amount or the timing of tax payments.

Significant estimates

*Share-based payments*

The Company uses the Black-Scholes valuation model to determine the fair value of options and compensatory warrants granted to employees and non-employees under share-based payment arrangements, where appropriate. In estimating fair value, management is required to make certain assumptions and estimates such as the expected term of the instrument, volatility of the Company's future share price, risk free rates, future dividend yields and estimated forfeitures at the initial grant date, by reference to the underlying terms of the instrument, and the Company's experience with similar instruments. Changes in assumptions used to estimate fair value could result in materially different results.

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**3. Significant Accounting Policies**

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended December 31, 2022.

**New standards, interpretations and amendments to existing standards not yet effective**

There are no new standards or amendments to standards and interpretations issued by the IASB that are not yet effective that would be expected to have a material impact on the condensed interim consolidated financial statements of the Company.

**4. Restricted Cash**

Restricted cash represents collateral in respect of the corporate credit card facility with a financial institution.

**5. Mineral Property Expenditures**

	<b>Nine Months Ended</b>	
	<b>September 30</b>	<b>September 30</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Killala Lake South Diamond Property, Canada	25,700	20,000
Nemaska2 Lithium Property, Canada <sup>1</sup>	3,451,075	-
Picachos Gold-Silver Property, Mexico	-	103,621
Property investigation costs	23,940	-
	<u>3,500,715</u>	<u>123,621</u>

Nemaska2 Lithium Property, Canada

On March 13, 2023, the Company completed the acquisition of 1000196193 Ont. Ltd. In accordance with IFRS3, the acquisition of 1000196193 Ontario Ltd. was accounted for as an asset acquisition as, prior to the acquisition, the activities of 1000196193 Ontario Ltd. did not meet the definition of a business.

Pursuant to the terms of the acquisition, the Company issued 35,000,000 common shares to the shareholders of 1000196193 Ontario Ltd. and made a cash payment of \$20,000 to 1000196193 Ont. Ltd. The Company paid a finder's fee of 2,450,000 shares in connection with the acquisition.

The total consideration received at estimated fair value was:

	<b>Fair Value</b>
	<b>\$</b>
Shares issued	3,183,250
Cash	20,000
Acquisition costs	18,632
	<u>3,221,882</u>

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1000196193 Ontario Ltd.'s net assets that were acquired by the Company were estimated at a fair value of \$969,556.28 and allocated as follows:

	<u>Allocation</u>
	\$
E&E Expenditures	<u>3,221,882</u>
	<u>3,221,882</u>

1000196193 Ontario Ltd. holds the right to acquire a 100% undivided interest in Nemaska2 Property, subject to a 2% NSR and Bonus, by making aggregate cash payments to the Optionor of \$190,000, including \$20,000 within seven days of the effective date of the agreement (paid); \$20,000 within seven days following approval of the Acquisition by the TSXV (paid), and \$50,000 on each of the first, second and third anniversaries of the date of the Option Agreement. Under the terms of the option agreement, the Vendor has agreed to make a one-time payment in the amount of \$1,000,000, in cash or shares of the Vendor, in the event a report compliant with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* establishes mineral resources valued over \$100,000,000 with respect to the Nemaska2 Property.

A payment of \$30,000 made by the Company during December 2022, in connection with the Nemaska2 Option prior to its amendment was refunded to the Company during Q1/23.

Nemaska2 Lithium Extension Property, Canada

On March 20, 2023 the Company entered into a property option agreement to acquire a 100% undivided interest in the Nemaska2 Lithium Extension Property ("Nemaska2 Extension"), James Bay Quebec. Under the terms of the option agreement, the Company, subject to a 2% NSR and bonus in favor of the optionor, must pay an aggregate of \$250,000, including a cash payment of \$10,000 within fourteen days of the effective date of the option agreement (paid); a cash payment of \$40,000 within ninety days of the effective date of the option agreement; and cash payments of \$100,000 or at the Company's discretion, issuance of shares with a then equivalent value of \$100,000, on each of the first, and second anniversaries of the effective date of the option agreement. Under the terms of the option agreement, the optionor will receive a one-time payment in the amount of \$1,000,000, in cash or shares of the Company, in the event a report compliant with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") establishes mineral resources valued over \$100,000,000 with respect to the Nemaska2 Extension.

<sup>1</sup> The Nemaska2 Lithium and Nemaska2 Lithium Extension Properties are contiguous mineral claims, the costs incurred for which are combined in these financial statements

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Cost expensed for the Nemaska2 Property were as follows:

	<b>Nine Months Ended</b>	
	<b>September 30</b>	<b>September 30</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Acquisition costs</b>		
Acquisition of 1000196193 Ontario Ltd.	3,221,882	-
Option Payments	40,000	-
	<u>3,261,882</u>	<u>-</u>
<b>Exploration expenditures</b>		
Assays	12,956	
Exploration	123,668	
Consulting, reports and mapping	52,569	-
	<u>189,193</u>	<u>-</u>
	<u>3,451,075</u>	

Killala Lake South Diamond Property, Canada

On May 11, 2020, the Company entered into an option agreement to purchase a 100% interest in certain mineral claims known as located in Thunder Bay mining District, Ontario, known as the Killala Lake South Diamond Property.

The option payments consist of cash payments of \$110,000 and the issuance of 1,600,000 common shares as follows:

a) Cash Payments

- \$15,000 within 5 days of the effective date of the agreement (May 11, 2020) (paid);
- \$15,000 on or before the first (paid), second (paid) and third anniversaries from May 11, 2020; and
- \$50,000 on or before the fourth anniversary of receipt of regulatory approval.

b) Share Consideration

- The issuance of 500,000 common shares within 10 business days of receipt of TSX-V approval of the agreement (issued, with a value of \$25,000);
- The issuance of 200,000 common shares on or before the first (issued, with value of \$22,000), second (issued, with value of \$5,000) and third anniversaries of receipt of regulatory approval.
- The issuance of 500,000 common shares on or before the fourth anniversary of receipt of regulatory approval.

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The Company also agreed to issue additional common shares upon achieving certain milestones as follows:

- The issuance of 1,000,000 common shares in the event a NI43-101 compliant report calculation commissioned for the purchaser identifies a resource exceeding 3 million carats;
- The issuance of 1,000,000 common shares upon completion of a positive bankable feasibility study commissioned by the purchaser;
- The issuance of 500,000 common shares for each kimberlite or lamproite pipe drilled within the area of interest which produces more than 10 commercial sized diamonds.

c) Other contingent consideration

Further, if an ore deposit within the optioned property is sold or optioned to a 3<sup>rd</sup> party the purchaser shall make a cash payment to the optionor equal to 5% of the net sale price, or issue common shares with an equivalent value. If paid in shares the deemed value of each share shall be the greater of:

- The volume weighted average of the price per share as reported on the TSX-V for the prior 10 consecutive trading days; and
- The minimum price per share permissible pursuant to applicable securities law and requirements of the TSX-V.

The agreement is subject to a 3% Gross overriding Royalty (“GOR”) with respect to diamonds extracted from the property and a 2% Net Smelter Royalty (“NSR”) in respect of any non-diamond minerals discovered on the property. The Company has the right to purchase 50% of the GOR and NSR at any time for cash consideration of \$2,000,000 and \$1,000,000 respectively.

On August 29, 2023 the Company terminated the Killala Lake South Diamond Property option agreement.

Costs expensed on the property were as follows:

	<b>Nine Months Ended</b>	
	<b>September 30</b>	<b>September 30</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Acquisition costs</b>		
Option Payments	24,500	-
<b>Exploration expenditures</b>		
Geological consulting	1,200	-
	<u>25,700</u>	<u>-</u>

Picachos Gold-Silver Property, Mexico

On August 4, 2020, the Company entered into an option agreement to acquire a 100% interest in the Picachos Gold-Silver Property located in Sinaloa, Mexico. During the life of the option agreement, the Company paid \$47,685 (US \$35,000) and issued 250,000 shares valued at \$21,250 to the optionor and issued 40,800 shares valued at \$7,971 as a finder’s fee.

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On May 17, 2022 the Company terminated the Picachos option agreement.

Costs expensed on the property were as follows:

	Nine Months Ended	
	September 30 2023	September 30 2022
	\$	\$
<b>Acquisition costs</b>		
Option payments	-	-
Finder's fees	-	-
	-	-
<b>Exploration expenditures</b>		
Regulatory, property access, permits and fees	-	44,327
Drilling	-	-
Depreciation of equipment	-	4,945
Reports and mapping	-	-
Geologist and consulting fees	-	22,033
Labour	-	15,405
Camp, supplies and office expenses	-	7,540
Assays	-	2,574
Fuel	-	2,797
Equipment rental	-	-
	-	103,621
	-	103,621

## 6. Share Capital

### Authorized share capital

Unlimited number of common shares without par value.

### Issued share capital

During the Nine months ended September 30, 2023, the Company issued:

- (i) 35,000,000 shares for the acquisition of 1000196193 Ontario Ltd. (Nemaska2 Property);
- (ii) 2,450,000 shares for finder's fee in connection with the acquisition of 1000196193 Ontario Ltd.;
- (iii) 200,000 shares in connection with the Killala Lake option agreement with a fair value of \$17,000;
- (iv) Issued 11,124,513 units at \$0.07 per unit for gross proceeds of \$778,715. Each unit is comprised of one common share and one common share unit warrant exercisable at \$0.15 for a period of twelve months from the date of issuance. The unit warrants were allocated a fair value of \$259,234. The Company paid a total of \$44,899 in cash fees and issued 610,915 broker warrants with a fair value of \$32,950. Each broker warrant is exercisable at \$0.07 for a period of twelve months from the date of issuance. The fair value of unit warrants and broker warrants was determined using the Black-Scholes option pricing model assuming: a life expectancy of one year, a risk-free interest rate of 4.10% – 4.25%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 172.54% - 174.78%
- (v) Issued 1,200,000 shares on the exercise of RSUs.

During the year ended December 31, 2022, the Company:

- (i) Issued 200,000 common shares valued at \$5,000 pursuant to a mineral property option agreements for its Killala Lake South Diamond Property (Note 6).

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Share Purchase Warrants

A summary of changes in share purchase warrants is presented below:

	<u>Number</u>	<u>Weighted average exercise price</u>
Balance, December 31, 2021	5,000,000	\$ 0.30
Expired	<u>(5,000,000)</u>	<u>0.30</u>
Balance, December 31, 2022	-	-
Issued	<u>11,124,513</u>	<u>0.15</u>
Balance, September 30, 2023	11,124,513	0.15

Broker warrants

A summary of changes in broker warrants is presented below:

	<u>Number</u>	<u>Weighted average exercise price</u>
Balance, December 31, 2021	214,200	\$ 0.30
Expired	<u>(214,200)</u>	<u>0.30</u>
Balance, December 31, 2022	-	-
Issued	<u>610,915</u>	<u>0.07</u>
Balance, September 30, 2023	610,915	0.07

Stock Options

The number of shares reserved for issuance under the Company's stock option plan is limited to 10% of the number of shares which are issued and outstanding on the date of a particular grant of options. Under the plan, the Board of Directors determines the term of a stock option to a maximum of 10 years, the period of time during which the options may vest, unless otherwise required by applicable securities law, stock exchange and other regulatory requirements, and when they become exercisable, as well as the option exercise price, which shall not be less than the prevailing price permitted by the TSX-V. The Directors determine the recipients of, and nature and size of, share-based payment awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

A summary of changes in stock options is presented below:

	<u>Number</u>	<u>Weighted average exercise price</u>
Balance, December 31, 2021	4,950,000	\$ 0.33
Expired	<u>(4,200,000)</u>	<u>0.35</u>
Balance, December 31, 2022 and September 30, 2023	<u>750,000</u>	<u>0.22</u>

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As at September 30, 2023, the following stock options were outstanding:

<b>Exercise Price</b>	<b>Number Outstanding</b>	<b>Number Exercisable</b>	<b>Expiry Date</b>
\$			
0.30	150,000	150,000	June 9, 2026
0.20	600,000	600,000	March 22, 2024

**Restricted Share Unit Award Plan**

On August 26, 2020, the Company adopted a Restricted Share Unit Award Plan ("RSU Plan"), whereby the maximum number of common shares reserved for issuance under the RSU Plan combined with all of the Company's other security-based compensation arrangements including the Company's Stock Option Plan shall not exceed 10% of the Company's outstanding shares.

A summary of changes in Restricted Share Units is presented below:

	<b>Number</b>	<b>Weighted average exercise price</b>
		\$
Balance, December 31, 2021	1,735,601	0.30
Issued	-	-
Cancelled	-	-
Balance, December 31, 2022	1,735,601	0.30
Exercised	(1,735,601)	0.30
Balance, September 30, 2023	-	-

**7. Related Party Transactions**

Related party transactions for the nine-month periods ended September 30 are as follows:

Key management personnel include directors and officers of the Company.

	<b>2023</b>	<b>2022</b>
	\$	\$
Director fees (included in Consulting)	94,500	72,000
Management fees	90,000	57,259
Consulting fees	90,000	137,500
<b>Total compensation to related parties for the year</b>	<b>274,500</b>	<b>266,759</b>

As at September 30, 2023, there was \$182,855 (December 31, 2022; \$266,099) payable to related parties included in accounts payable and accrued liabilities.

**8. Capital Management**

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets. The Company defines capital to be the components of shareholders' equity. To effectively manage the Company's capital requirements, the Company has in place planning, budgeting, and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. There were no externally imposed capital requirements to which the Company is subject as at September 30, 2023. There were no changes to the management of capital in the Nine months ended September 30, 2023.

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**9. Financial Instruments and Risk Management**

The carrying values of cash, restricted cash, receivables, convertible note receivable, and accounts payable and accrued liabilities are considered representative of their respective fair values due to their short-term period to maturity.

Investments have been recorded at fair market value, using level one of the fair value hierarchy.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk is the carrying value of cash, restricted cash, and receivables. Substantially all of the Company's cash and restricted cash is held with major financial institutions in Canada and receivables consist of GST refunds from the Canadian government. Management believes the exposure to credit risk with such institutions is not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of the business of the Company.

The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 9, in normal circumstances. Further information regarding liquidity risk is set out in note 1. The Company is exposed to liquidity risk.

Interest rate risk

The Company had no significant exposure as at September 30, 2023, to interest rate risk through its financial instruments.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk

The Company operates only in Canada and has limited exposure to foreign exchange risk arising from transactions denominated in foreign currencies. The operating results and the financial position of the Company are reported in Canadian dollars. The functional currency of the Company and its subsidiaries

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is the Canadian dollar. Foreign currency risk is related to the exposure of financial instruments denominated in currencies other than Canadian dollars. As of September 30, 2023, a 10% appreciation (depreciation) in the United States dollar against the Canadian dollar, with all other variables held constant, would not result in any significant impact on the Company's profit or loss for the year.

**10. Segmented Information**

The Company has one operating segment, being the acquisition of exploration of mineral properties. The Company's accounting policy with respect to exploration and evaluation assets is to expense all costs as incurred.

The Company is conducting exploration activities in Canada and previously Mexico and accordingly has historical geographical segments to its operations.

	Mexico	Canada	Total
	\$	\$	\$
<b>Exploration and evaluation expenditures</b>			
Nine months ended September 30, 2023	-	3,500,715	3,500,715
Nine months ended September 30, 2022	103,621	20,000	123,621

**11. Supplemental Cash Flow Information**

	Nine Months Ended September 30	
	2023	2022
	\$	\$
<b>Non-cash transactions</b>		
Shares issued for property acquisition (1000196193 Ontario Ltd.)	3,183,250	-
Shares issued for property option	17,000	5,000
Shares issued on exercise of RSUs	1,200,000	-

**12. Commitments**

On October 30, 2020, the Company entered into a Management Services Agreement with the President and former Chief Executive Officer ("CEO") of the Company, Mr. Ranjeet Sundher. The agreement provides for the CEO to receive annual compensation of USD\$120,000, discretionary bonuses, and participation in the equity-based compensation plans adopted by the Company. Remuneration is to be reviewed annually.

The agreement may be terminated without cause at any time by the Company, by delivering to the CEO written notice stipulating the date of termination, and by paying a lump sum settlement in an amount equal to 200% of the effective compensation at the time of termination.

On April 1, 2021, Ranjeet Sundher resigned as President, and CEO of the Company.

On October 30, 2020, the Company appointed a new Chief Operating Officer ("COO")(now COO, CFO and Corporate Secretary). The Company also entered into a Management Services Agreement with 677185 BC Ltd, (the "Consultant"), an entity controlled by the COO. The agreement provides for annual compensation of USD\$90,000, discretionary bonuses, and participation in the equity-based compensation plans adopted by the Company. Remuneration is to be reviewed annually.

The agreement may be terminated without cause at any time by the Company, by delivering to the Consultant written notice stipulating the date of termination, and by paying a lump sum settlement in an amount equal to 200% of the effective compensation at the time of termination.