



## CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

<b><u>Index</u></b>	<b><u>Page</u></b>
<b>Consolidated Financial Statements</b>	
Independent Auditor's Report	2 - 4
Consolidated Statements of Financial Position	5
Consolidated Statements of Income and Comprehensive Income	6
Consolidated Statements of Changes in Equity	7
Consolidated Statements of Cash Flows	8
<b>Notes to Consolidated Financial Statements</b>	<b>9 - 25</b>

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF Carlin Gold Corporation

#### *Opinion*

We have audited the consolidated financial statements of Carlin Gold Corporation and its subsidiary (the "Company"), which comprise:

- ◆ the consolidated statements of financial position as at December 31, 2023 and 2022;
- ◆ the consolidated statements of income and comprehensive income 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 December 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

#### *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 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 in our audits 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 incurred an accumulated deficit of \$7,946,566 as at December 31, 2023. 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, we have determined that there are no other key audit matters to communicate in our auditors' report.

#### VANCOUVER

1700-475 Howe St  
Vancouver, BC V6C 2B3  
T: 604 687 1231  
F: 604 688 4675

#### LANGLEY

600-19933 88 Ave  
Langley, BC V2Y 4K5  
T: 604 282 3600  
F: 604 357 1376

#### NANAIMO

201-1825 Bowen Rd  
Nanaimo, BC V9S 1H1  
T: 250 755 2111  
F: 250 984 0886

### *Other Information*

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

Our opinion on the 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 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.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 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.

#### **VANCOUVER**

1700-475 Howe St  
Vancouver, BC V6C 2B3  
T: 604 687 1231  
F: 604 688 4675

#### **LANGLEY**

600-19933 88 Ave  
Langley, BC V2Y 4K5  
T: 604 282 3600  
F: 604 357 1376

#### **NANAIMO**

201-1825 Bowen Rd  
Nanaimo, BC V9S 1H1  
T: 250 755 2111  
F: 250 984 0886

- ◆ 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 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 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 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 audit resulting in this independent auditors' report is Karen Ka Yee Cheng.

*Smythe LLP*

Chartered Professional Accountants  
Vancouver, British Columbia  
April 23, 2024

**VANCOUVER**

1700-475 Howe St  
Vancouver, BC V6C 2B3  
T: 604 687 1231  
F: 604 688 4675

**LANGLEY**

600-19933 88 Ave  
Langley, BC V2Y 4K5  
T: 604 282 3600  
F: 604 357 1376

**NANAIMO**

201-1825 Bowen Rd  
Nanaimo, BC V9S 1H1  
T: 250 755 2111  
F: 250 984 0886



Consolidated Statements of Financial Position  
As at December 31, 2023 and 2022  
(Expressed in Canadian dollars)

	Years ended December 31	
	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 747,962	\$ 198,970
Accounts receivable	32,011	5,106
Marketable securities (Note 5)	1,174,914	766,290
	<u>1,954,887</u>	<u>970,366</u>
Exploration and evaluation properties (Note 6)	2,031,482	1,920,830
	<u>\$ 3,986,369</u>	<u>\$ 2,891,196</u>
<b>Liabilities</b>		
Current liabilities:		
Trade payables and accrued liabilities	\$ 20,783	\$ 26,168
Other amounts due to related parties (Note 9)	5,323	771,533
	<u>26,106</u>	<u>797,701</u>
<b>Equity</b>		
Share capital (Note 7)	11,877,089	10,603,291
Reserves - Stock options (Note 7(c))	29,740	-
Deficit	(7,946,566)	(8,509,796)
	<u>3,960,263</u>	<u>2,093,495</u>
	<u>\$ 3,986,369</u>	<u>\$ 2,891,196</u>

"K. Wayne Livingstone"

Director

"Robert Culbert"

Director

See accompanying notes to consolidated financial statements



Consolidated Statements of Income and Comprehensive Income  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

	Years ended December 31	
	2023	2022
Expenses:		
Accounting and audit	\$ 22,268	\$ 31,514
Legal fees	46,623	6,419
Management and administration fees (Note 9)	60,000	60,000
Office	16,337	9,204
Regulatory fees	15,080	8,198
Share-based payments (Note 7(c))	29,740	-
Technical consulting	9,313	23,423
Transfer agent fees	17,188	3,487
	<b>(216,549)</b>	<b>(142,245)</b>
Foreign exchange loss	(899)	(14,339)
Gain on sale of exploration and evaluation assets (Notes 5, 6(b))	738,000	509,000
Gain on sale of marketable securities (Note 5)	28,859	17,235
Fair value change of marketable securities (Note 5)	(57,376)	29,790
Write-down of exploration properties (Note 6)	(11,273)	(10,858)
Write-down of amounts due to related parties (Note 9)	82,468	-
<b>Net income and comprehensive income for the year</b>	<b>\$ 563,230</b>	<b>\$ 388,583</b>
Income per share, basic and diluted	\$ 0.04	\$ 0.00
Weighted average number of common shares outstanding	14,078,741	88,939,464

See accompanying notes to consolidated financial statements.



Consolidated Statements of Changes in Equity  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

	Share Capital		Reserves		Total equity
	Number of Shares *	Amount	Stock options	Deficit	
<b>Balance, December 31, 2021</b>	<b>8,893,946</b>	<b>\$10,603,291</b>	<b>\$111,171</b>	<b>(\$9,009,550)</b>	<b>\$1,704,912</b>
Expiry of stock options (Note 7(c))	-	-	(111,171)	111,171	-
Net income for the year	-	-	-	388,583	388,583
<b>Balance, December 31, 2022</b>	<b>8,893,946</b>	<b>\$10,603,291</b>	<b>\$ -</b>	<b>(\$8,509,796)</b>	<b>\$2,093,495</b>
Units issued for private placement (Note 7(b))	5,050,000	606,000	-	-	606,000
Shares issued fo debt settlement (Note 7(b) and 9)	4,600,000	690,000	-	-	690,000
Share based payments (Note 7(c))	-	-	29,740	-	29,740
Share issue costs (Note 7(b))	-	(22,202)	-	-	(22,202)
Net income for the year	-	-	-	563,230	563,230
<b>Balance, December 31, 2023</b>	<b>18,543,946</b>	<b>\$11,877,089</b>	<b>\$29,740</b>	<b>(\$7,946,566)</b>	<b>\$ 3,960,263</b>

\* Restated to reflect share consolidation which took effect on June 6, 2023 (Note 1).

See accompanying notes to consolidated financial statements.



Consolidated Statements of Cash Flows  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

	Years ended December 31	
	2023	2022
<b>Operating Activities:</b>		
Net income for the year	\$ 563,230	\$ 388,583
Items not affecting cash:		
Gain on sale of exploration and evaluation property (Notes 6(c), 7(b))	(738,000)	-
Recovery of exploration costs paid in shares	-	(409,000)
Share-based payments (Note 7(c))	29,740	-
Gain on sale of marketable securities	(28,859)	(17,235)
Fair value change of marketable securities (Note 5)	57,376	(29,790)
Write-down of exploration and evaluation properties (Note 6)	11,273	10,858
Write-off of amounts due to related parties (Note 9)	(82,468)	-
Change in non-cash operating working capital:		
Accounts receivable	(26,905)	(2,469)
Trade payables and accrued liabilities	(5,384)	(13,475)
Amounts due to related parties	6,258	98,881
<b>Cash provided by (used in) operating activities</b>	<b>(213,739)</b>	<b>26,353</b>
<b>Investing Activities:</b>		
Exploration and evaluation property expenditures (Note 6)	(121,926)	(43,580)
Proceeds from sale of marketable securities (Note 5)	300,859	197,235
<b>Cash provided by investing activities</b>	<b>178,933</b>	<b>153,655</b>
<b>Financing Activities:</b>		
Private placement proceeds (Note 7(b))	606,000	-
Share issuance costs (Note 7(b))	(22,202)	-
<b>Cash Provided by Financing Activities</b>	<b>583,798</b>	<b>-</b>
<b>Increase in cash</b>	<b>548,992</b>	<b>180,008</b>
<b>Cash, beginning of year</b>	<b>198,970</b>	<b>18,962</b>
<b>Cash, End of Year</b>	<b>\$ 747,962</b>	<b>\$ 198,970</b>
Supplemental cash flow information:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Shares for debt settlements (Note 7(b) and 8)	\$ 690,000	\$ -

See accompanying notes to consolidated financial statements.



Notes to Consolidated Financial Statements  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

---

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Carlin Gold Corporation (the “Company”) is registered under the British Columbia *Business Corporations Act* and trades on the TSX Venture Exchange. The Company is in the business of acquiring, exploring and developing mineral properties in Nevada and Yukon, and has not yet determined whether its properties contain ore reserves that are economically recoverable. The head office and principal address of the Company is situated at Suite 405 – 375 Water Street, Vancouver, British Columbia, Canada, V6B 5C6.

The Company has not generated any operating revenue since inception, has never paid dividends and is unlikely to pay dividends or generate operating earnings in the immediate or foreseeable future. As at December 31, 2023, the Company has incurred an accumulated deficit of \$7,946,566 (2022 - \$8,509,796). The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its mineral properties, confirmation of the Company’s interests in the underlying properties and the attainment of profitable operations, or realize proceeds from sale of properties. The Company will require additional capital to finance future operations and growth. If the Company is unable to obtain additional financing, the Company would be unable to continue. There can be no assurance that management’s plans will be successful.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. The carrying value of the Company’s exploration and evaluation properties does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On June 6, 2023, the Company consolidated its outstanding share capital on the basis of 10 pre-consolidated common shares for one post-consolidation share. All share amounts have been adjusted to reflect the consolidation.

## **2. BASIS OF PRESENTATION**

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The accounting policies, methods of computation and presentation applied in these consolidated financial statements are consistent with those of the previous financial year.

### **a) Approval of consolidated financial statements**

These consolidated financial statements of the Company for the years ended December 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors on April 23, 2024.

### **b) Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

### **c) Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its 100% controlled entity, Carlin Gold US Inc. (a Nevada corporation). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

### **d) New standards and interpretations**

*Adoption of amendments to IAS 1 - Presentation of Financial Statements (“IAS 1”):*

In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Guidelines and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making the judgements about accounting policy disclosures. Effective January 1, 2023, the Company adopted these amendments prospectively. These amendments had no material impact to these consolidated financial statements.”

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates have been assessed by the Company and are not expected to have a significant impact on the Company’s consolidated financial statements. The Company has not early adopted these standards.

### **3. MATERIAL ACCOUNTING POLICIES**

#### **a) Judgments and estimates**

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### *Critical accounting estimates*

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

#### Share-based Payments

A significant area requiring the use of estimates relates to the determination of the inputs to the Black Scholes option pricing model, which is used to measure the fair value of share-based payments pursuant to the issuance of stock options. Changes in these inputs assumptions can significantly affect the fair value estimate.

#### *Critical accounting judgments*

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

#### Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

### **3. MATERIAL ACCOUNTING POLICIES (Continued)**

#### **a) Judgments and estimates (Continued)**

##### Exploration and evaluation properties

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful and some assets are likely to become impaired in future periods.

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indicators of impairments. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economic assessments/studies, accessible facilities and existing permits.

#### **b) Foreign currency translation**

The functional and reporting currency of the Company and its subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value and revenues and expenses denominated in foreign currencies are retranslated to the functional currency at the exchange rate on the date of the transaction. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss.

#### **c) Exploration and evaluation properties**

Costs directly related to the exploration and evaluation of resource properties are capitalized once the legal rights to explore the resource properties are acquired and obtained. If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the cash generating unit is written down to its recoverable amount. Resource properties are reviewed for impairment at each reporting date.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received are recorded as a gain on option or sale of mineral property.

### **3. MATERIAL ACCOUNTING POLICIES (Continued)**

#### **d) Exploration and evaluation properties (continued)**

The Company's exploration and evaluation assets are reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

#### **e) Provision for closure and reclamation**

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of resource properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects 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 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.

### **3. MATERIAL ACCOUNTING POLICIES (Continued)**

#### **f) Share-based payments**

The Company has a stock option plan that is described in Note 7(c). 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 the 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 the instruments issued is measured using the Black-Scholes option pricing model. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to option reserve. Consideration received on the exercise of stock options is recorded as share capital and the related option reserve is transferred to share capital. When options and warrants expire or are forfeited unexercised, such amounts are transferred to deficit. Charges for options that are forfeited before vesting are reversed from option reserve.

#### **g) Earnings per share**

Basic earnings per share is calculated by dividing the income available to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the income available to common shareholders equals the reported income. Diluted earnings per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted earnings per share for the years ended December 31, 2023 and 2022 are the same as basic earnings per share, as the effects of including all outstanding options would be anti-dilutive.

### **3. MATERIAL ACCOUNTING POLICIES (Continued)**

#### **h) Financial instruments**

##### **Financial assets**

The Company measures its financial assets as fair value through profit or loss. The measurement depends on the purpose for which the financial assets were acquired. Management determines the measurement of financial assets at recognition.

##### *Financial assets at fair value through profit or loss ("FVTPL")*

Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period. Marketable securities and cash are included in this category of financial assets.

##### *Impairment of financial assets*

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

##### **Financial liabilities**

The Company classifies its financial liabilities in the following categories: other financial liabilities and financial liabilities at fair value through profit or loss.

##### *Other financial liabilities*

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Other financial liabilities are classified as current or non-current based on their maturity date. Other financial liabilities include trade payables and accrued liabilities and other amounts due to related parties.

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based upon observable market data.

### 3. MATERIAL ACCOUNTING POLICIES (Continued)

#### i) Financial instruments (continued)

#### j) Share capital

The Company records proceeds from share issuances, net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares is concluded.

#### k) Valuation of equity units issued in private placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

### 4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has classified its cash and marketable securities as FVTPL; and trade payables and accrued liabilities, loan payable to related party and other amounts due to related parties, as other financial liabilities.

#### Fair value

The carrying values of trade payables and accrued liabilities and other amounts due to related parties all approximate their fair value due to the short-term nature of these financial instruments.

At December 31, 2023 and 2022, the marketable securities are valued using quoted prices (unadjusted) from an active market (Level 1).

The principal risks to which the Company's financial instruments are exposed are described below.

#### a) 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 contractual obligations. The Company is exposed to credit risk on its cash. However, this risk is minimized as all amounts are held with major Canadian and American financial institutions. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	December 31 2023	December 31 2022
Cash – Canada	\$ 738,252	\$198,019
Cash – USA	9,710	951
Total	\$ 747,962	\$ 198,970

#### **4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

##### **b) Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.

The Company is dependent on raising funds through the issuance of shares, obtaining debt financing and/or attracting joint venture partners in order to undertake further exploration and development of its mineral properties and finance office and administrative expenditures. There can be no assurance the Company will be able to raise funds in the future.

The Company owns marketable securities, which are recorded as FVTPL. The Company may, from time to time, liquidate a portion of its holdings depending on market conditions and the Company's cash requirements. Depending on timing, the Company's ability to liquidate these securities is subject to price fluctuations and market conditions, which may affect the Company's ability to liquidate the securities in a timely manner.

At December 31, 2023, the Company had trade payables totaling \$20,783 (2022 - \$26,168), which are currently due and other amounts due to related parties totaling \$5,323 (2022 - \$771,533).

##### **c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

###### **(i) Interest rate risk**

The Company is not exposed to significant interest rate risk. The Company's bank accounts earn interest at variable rates. Future cash flows from interest income on cash will be immaterially affected by interest rate fluctuations.

###### **(ii) Foreign currency risk**

As at December 31, 2023, certain of the Company's financial instruments are held in US dollars. The Company has operations in Nevada, USA. As a result, the Company is exposed to foreign currency risk from fluctuations between the Canadian and US dollar.

The Company does not use derivatives or similar techniques to manage currency risk.

As at December 31, 2023, the Company is exposed to foreign currency risk on \$14,983 (2022 - \$2,396) cash.

#### 4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

##### c) Market risk (continued)

##### (iii) Other price risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from currency risk or interest rate risk. The Company's marketable securities are carried at market value and are, therefore, directly affected by fluctuations in the market value of the underlying securities. The Company's sensitivity analysis suggests that a 50% (2022 - 50%) change in market prices would change other comprehensive income/loss by approximately \$587,000 (2022 - \$383,000).

#### 5. MARKETABLE SECURITIES

At December 31, 2023 and 2022, the Company owned the following available-for-sale investments:

	December 31, 2023			December 31, 2022		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
American Pacific Mining Corp.	220,250	-	\$ 56,164	220,250	-	\$ 79,290
HighGold Mining Inc.	200,000	-	\$ 68,000	200,000	-	\$ 138,000
Fireweed Zinc Ltd.	250,000	-	\$ 297,500	250,000	-	\$ 255,000
Onyx Gold Corp.	50,000	-	\$ 10,750	-	-	-
Snowline Gold Corp.	150,000	-	\$ 742,500	100,000	-	\$ 294,000
<b>Total</b>			<b>\$ 1,174,914</b>			<b>\$ 766,290</b>

In March 2022, the Company sold 250,000 shares of Snowline Gold Corp. and recorded a gain of \$17,250 on the sale. The Company received cash proceeds of \$197,235 on the sale of the shares.

In September 2022, the Company received 200,000 shares of HighGold Mining Inc. ("HighGold") valued at \$134,000 as part of the consideration for the sale of its Yukon mineral claims to HighGold.

In October 2022, the Company received 100,000 shares of Snowline valued at \$275,000 in regard to an amended mineral option agreement with Snowline for the Yukon mineral claims.

In June 2023, the Company received 50,000 shares of Onyx Gold Corp. ("Onyx") as a result of owning shares of HighGold when it completed a spin-out and distributed shares of Onyx to its shareholders.

In August 2023, the Company received 150,000 shares of Snowline valued at \$738,000 in regard to the final share payment received on an amended mineral option agreement with Snowline for the Yukon mineral claims. In the year ended December 31, 2023, the Company sold 100,000 shares of Snowline and recorded a gain of \$28,859 on the sale of the shares. The Company received cash proceeds of \$300,859 on the sale of the shares.

In the year ended December 31, 2023, the Company recorded an aggregate loss of \$57,376 (2022 - \$29,790 gain) relating to the fair value change of its investments.

Notes to Consolidated Financial Statements  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

## 6. EXPLORATION AND EVALUATION PROPERTIES

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

	Cortez Summit	Ivy	Willow	Yukon	Total
<b>Balance, December 31, 2021</b>	\$ 1,888,106	\$ -	\$ 1	\$ 1	\$ 1,888,108
Acquisition costs	\$ 32,723	\$ -	\$ 10,857	\$ -	\$ 43,580
Writedown of exploration and evaluation property	-	-	(10,857)	-	(10,857)
Disposition of exploration and evaluation property (Note 6(c))	-	-	-	(1)	(1)
<b>Balance, December 31, 2022</b>	\$ 1,920,829	\$ -	\$ 1	\$ -	\$ 1,920,830
Acquisition costs	33,939	61,928	11,261	-	107,128
Geological and maintenance	3,251	11,534	12	-	14,797
Writedown of exploration and evaluation property	-	-	(11,273)	-	(11,273)
<b>Balance, December 31, 2023</b>	\$ 1,958,019	\$ 73,462	\$ 1	\$ -	\$ 2,031,482

In the year ended December 31, 2023, the Company incurred expenditures of \$121,926 (2022 - \$43,580) and writedowns of \$11,273 (2022 - \$10,858) on its Nevada exploration and evaluation properties.

### a) Cortez Summit Property, Nevada USA

The Company owns a 100% interest in claims in the Cortez gold trend in Eureka County, Nevada, which were acquired by staking and are not subject to any royalties.

### b) Ivy Property, Nevada USA

In October 2023, the Company acquired a copper-gold property in northeastern Nevada USA through purchase of a 100% interest of a core claim group from a private party and additional claim staking by the Company. The property consists of 108 unpatented mining claims (the Ivy Property). The purchase price of the purchased claims was US\$25,000 and a 1% net smelter production royalty on gold and silver and 0.75% on all other metals, to the seller. As at December 31, 2023, the Company incurred costs of US\$20,882 for the additional claims staked and \$11,534 in geological costs on the property.

### c) Gain on sale of Yukon mineral claims

In October 2022, the Company received a \$25,000 cash payment and 100,000 shares of Snowline Gold Corp. valued at \$275,000, in regard to an amended mineral option agreement with Snowline.

In August 2023, the Company received 150,000 shares of Snowline as the final option payment which completed the sale of certain Yukon mineral claims to Snowline under a mineral property option agreement first announced in 2021. The \$738,000 value of the shares was recorded as a gain on sale of exploration and evaluation property during the year ended December 31, 2023.

### d) Closure costs

The Company has assessed that it does not have any closure costs at this time.

## **6. EXPLORATION AND EVALUATION PROPERTIES (Continued)**

### **d) Realization of assets**

The investment in and expenditures on exploration and evaluation properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or proceeds from their disposal.

Resource exploration and development are highly speculative and contain inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

### **e) Environmental**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

### **f) Title to mineral property interests**

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

## 7. SHARE CAPITAL

a) **Authorized:** unlimited number of common shares without par value

b) **Issued and outstanding at December 31, 2023:** 18,543,964 common shares

i) On June 14, 2023, the Company completed a private placement issuing 5,050,000 common shares at an issue price of \$0.12 per unit for total proceeds of \$606,000. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20 per share until June 6, 2028. The Company incurred share issue costs of \$22,202 in connection with the private placement.

ii) On June 28, 2023, the Company issued 4,600,000 common shares at a deemed price of \$0.15 per common share to three officers and directors of the Company in a shares-for-debt settlement transaction to settle debts having an aggregate value of \$690,000 (Note 9).

### c) Stock options

On August 25, 2022, the Company adopted a new stock option plan (the "Plan") whereby the board of directors may, from time to time, grant options directors, officers, employees, management company employees, consultants and eligible charitable organizations (as such terms are defined in the Plan) of the Company and its subsidiaries (collectively "Eligible Persons"). The purpose of the Plan is to give to Eligible Persons as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Options, exercisable over periods of up to ten years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the Option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board. The maximum number of options to be granted under the Plan is 10% of the outstanding shares of the Company

A summary of the status of the Company's stock options at December 31, 2023 and 2022 and changes during the years then ended are as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Number of options*	Weighted average exercise price*	Number of options *	Weighted average exercise price*
Balance, beginning of year	-	\$ -	175,000	\$ 0.80
Granted *	172,500	0.50	-	-
Expired	-	-	(175,000)	0.80
Balance, end of year	172,500	\$ 0.50	-	\$ -

\* Restated to reflect share consolidation which took place on June 6, 2023.

Notes to Consolidated Financial Statements  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

**7. SHARE CAPITAL** (continued)

**c) Stock options** (continued)

In January 2023 the Company issued 172,500 stock options for the purchase of up to 172,500 shares of the Company at an exercise price of \$0.50 per share with a five-year term and recorded \$29,740 in stock options reserves and to share based payments expense. The fair value of the stock options was estimated as of the date of grant, using the Black-Scholes option pricing model with the following assumptions:

	<b>January 2023</b>
Risk-free interest rate	2.76%
Expected life (in days)	1,825
Annualized volatility	150.00%
Dividend rate	n/a

Expected stock price volatility was derived from an average volatility based on historical movements in the closing prices of the Company's stock for a length of time equal to the expected life of the options. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. The expected dividend rate is estimated at 0.00% as the Company does not have a history of issuing and paying dividends.

During the year ended December 31, 2022, 175,000 stock options expired and \$111,171, was reclassified from stock option reserves to deficit.

A summary of the Company's stock options as at December 31, 2023 is as follows (there were no stock options outstanding at December 31, 2022):

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable (vested)
January 13, 2028	\$0.50	172,500	3.96	172,500

**d) Warrants**

On June 14, 2023, in connection with its private placement (Note 7(b)(ii)) the Company issued 5,050,000 warrants exercisable at a price of \$0.20 per warrant for a period of five years. As at December 31, 2023, the remaining contractual life is 4 years.

Notes to Consolidated Financial Statements  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

## 8. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% (2022 - 27%) to income before income taxes. The reason for the differences is as follows:

	2023	2022
Income before tax	\$ 563,230	\$ 388,583
Statutory income tax rate	27.0%	27.0%
Expected income tax	152,072	104,918
Exploration properties	(11,945)	(124,770)
Under provided in prior years	40,210	22,477
Impact of foreign exchange on tax assets and liabilities	23,618	(40,887)
Unused tax losses and tax offsets not recognized in tax assets	(203,955)	38,262
Total income taxes	\$ -	\$ -

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at December 31, 2023 and 2022 are presented below:

	2023	2022
Marketable securities	\$ -	\$ -
Non-capital loss carry-forwards utilized	-	-
Net deferred income tax liability	\$ -	\$ -

The Company recognizes tax benefits or losses or other deductible amounts generated in countries where the probable criteria for the recognition of deferred tax assets have been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2023	2022
Future income tax assets		
Non-capital loss carry-forwards	\$ 5,032,072	\$ 5,427,247
Foreign exchange	(1,396)	11
Mineral property interests	4,256,311	4,275,874
Unrecognized deductible temporary differences	\$ 9,286,987	\$ 9,703,132

Notes to Consolidated Financial Statements  
For the years ended December 31, 2023 and 2022  
(Expressed in Canadian dollars)

**8. INCOME TAXES (Continued)**

The Company's unrecognized unused tax losses for December 31, 2023 have the following expiry dates:

<b>Year expiring:</b>	<b>Canada</b>		<b>USA</b>		<b>Total</b>
2025	\$	-	\$	52,874	\$ 52,847
2026		20,138		133,662	153,800
2027		205,478		922,749	1,128,227
2028		169,653		456,494	626,147
2029		161,397		-	161,397
2030		175,460		7,376	182,836
2031		192,448		36,771	229,219
2032		332,281		38,193	370,474
2033		156,255		30,899	187,154
2034		216,630		43,016	259,646
2035		149,346		54,873	204,219
2036		209,635		28,555	238,190
2037		201,992		43,409	245,401
2038		176,052		21,199	197,251
2039		82,523		1,018,561	1,101,084
2040		0		35,357	35,357
No year of expiry		311,450		103,127	414,577
<b>Total</b>	<b>\$</b>	<b>2,760,738</b>	<b>\$</b>	<b>3,027,267</b>	<b>\$ 5,788,006</b>

**9. RELATED PARTY TRANSACTIONS**

Key management personnel compensation consists of the Chief Executive Officer, Chief Financial Officer ("CFO") and the Vice-President of Exploration. Aggregate compensation for the year ended December 31, 2023 was \$76,196 (2022 - \$50,102) for management and other fees, as described below.

The Company paid a total of \$30,000 (2022 - \$30,000) for management and administration services to NS Star Enterprises Ltd., a company controlled by the president, during the year ended December 31, 2023. The Company paid a total of \$30,000 for accounting, management and administration services to Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, during the year ended December 31, 2023 (2022 - \$30,000). The Company paid \$16,196 (2022 - \$22,918) to Mr. Robert Thomas, Vice-President of Exploration, for technical consulting and management and administration services during the years ended December 31, 2023.

In June 2023, the Company completed a shares-for-debt transaction to settle outstanding debts totaling \$772,539 (the "Debt") owing to certain directors and officers of the Company (the "Creditors") for management fees owing as of March 31, 2023 (the "Debt Settlement"). As part of the Debt Settlement, the Creditors reduced the Debt by \$82,468 and the Debt was extinguished by the issuance of an aggregate of 4,600,000 common shares of the Company (the "Settlement Shares") at a deemed price of \$0.15 per Settlement Share for an aggregate value of \$690,000 (Note 7(b)(iii)).

## **10. MANAGEMENT OF CAPITAL**

The Company manages its common shares, stock options and warrants as capital (Note 7). There has been no change in the nature of the Company's capital during the years ended December 31, 2023. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital restrictions.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

## **11. SEGMENTED INFORMATION**

The Company has one operating segment: mineral exploration and development. As at December 31, 2023 and 2022, all of the Company's non-current assets by geographical location are located in the United States of America.

## **12. EVENT SUBSEQUENT TO THE END OF THE YEAR**

In January 2024, the Company issued 1,150,000 stock options for the purchase of up to 1,150,000 shares of the Company at an exercise price of \$0.15 per share with a five-year term.