



TSODILO RESOURCES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 and 2022

Financial Reporting Responsibility of Management

The consolidated financial statements have been prepared by management. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts that are based on informed judgments and best estimates. The financial information presented in this annual report is consistent with the consolidated financial statements. Management acknowledges responsibility for the fairness, integrity and objectivity of all information contained in the annual report including the consolidated financial statements. Management is also responsible for the maintenance of financial and operating systems, which include effective controls to provide reasonable assurance that assets are properly protected, and that relevant and reliable financial information is produced. Our independent auditors have the responsibility of auditing the consolidated financial statements and expressing an opinion on them.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial

reporting and internal control. The Audit Committee is composed of three directors, all of whom qualify as unrelated directors and are independent of management and free from any interest or business relationship which could, or could be perceived to materially interfere with their ability to act in the best interests of the Company. This committee meets periodically with management and the external auditors to review accounting, auditing, internal control and financial reporting matters. The Audit Committee reviews the annual financial statements before they are presented to the Board of Directors for approval and considers the independence of the auditors.

The consolidated financial statements for the year ended December 31, 2023, have been audited by McGovern Hurley LLP external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders. Their report follows hereafter.

"S"

Jonathan R. Kelafant
Chairman, Audit Committee
April 29, 2024

"S"

Gary A. Bojes
CFO
April 29, 2024

Independent Auditor's Report

To the Shareholders of Tsodilo Resources Limited

Opinion

We have audited the consolidated financial statements of Tsodilo Resources Limited and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in deficit and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit 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. 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.

Other matter

The consolidated financial statements of the Company for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on May 1, 2023.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. 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.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of impairment indicators of exploration and evaluation assets</i>	
<p>The Company has exploration and evaluation (E&E) assets with a value of \$5.5 million as at December 31, 2023. At each reporting period, management assesses whether there is an indication of impairment relating to E&E assets. If any indication of impairment exists, then an impairment test is performed by management over the assets to which the indicator relates. In making this assessment, management is required to apply critical judgment in assessing whether certain external and internal factors would be considered an indicator of impairment. Internal and external factors, such as (i) evidence indicating that licenses required to advance the projects may be revoked; (ii) negative information in respect of the potential commercial viability of the projects; and (iii) the Company's continued ability and plans to further develop the projects, are evaluated by management in determining whether there are any indicators of impairment. No impairment indicators were identified by management as at December 31, 2023.</p> <p>We considered this a key audit matter due to the significance of the E&E assets and the high degree of subjectivity in performing procedures to evaluate management's assessment of whether the internal and external factors are considered impairment indicators, which required critical management judgment.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> - Evaluated the reasonableness of management's assessment of indicators of impairment, which included the following: <ul style="list-style-type: none"> - Obtained, by reference to government registries, evidence that the licenses required to advance the projects are not expired or in the process of renewal. - Read board minutes, reviewed spending and considered evidence obtained in other areas of the audit to assess the Company's continued ability and plans to further develop the projects and the potential commercial viability of the projects. <p>Assessed the adequacy and completeness of the relevant financial statement disclosures.</p> <p>Based on the work performed above, no impairment indicators were identified.</p>

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report.

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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's 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 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 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 judgement 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 risks 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 are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Nicole Louli.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 29, 2024

Tsodilo Resources Limited
Consolidated Statements of Financial Position
(In United States dollars)

	December 31 2023	December 31 2022
ASSETS		
Current		
Cash	\$ 1,856	\$ 40,049
Accounts receivable and prepaid expenses	37,493	57,767
Total Current Assets	39,349	97,816
Exploration and evaluation assets (note 3)	5,475,876	5,572,595
Property, plant, and equipment (note 4)	80,608	137,882
Total Assets	\$5,595,833	\$5,808,293
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 9)	\$ 1,341,216	\$ 1,057,599
Short-term lease liability (note 6)	4,952	4,664
Notes payable (notes 5 and 9)	1,930,806	1,606,046
Total Current Liabilities	3,276,974	2,668,309
Long-term lease liability (note 6)	5,503	10,950
Total Liabilities	3,282,477	2,679,259
SHAREHOLDERS' EQUITY		
Share capital (note 7)	51,403,803	50,944,960
Contributed surplus (note 7)	12,414,194	12,198,392
Commitment to issue shares	--	95,068
Foreign translation reserve	(7,183,001)	(6,939,102)
Deficit	(54,321,640)	(53,170,284)
Total Equity	2,313,356	3,129,034
Total Liabilities and Equity	\$5,595,833	\$5,808,293
Nature of operations and going concern (note 1)		
Commitments and contingencies (note 12)		
Subsequent events (notes 5 and 15)		

See accompanying notes to the consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

“s”

Jonathan R. Kelafant
Chairman, Audit Committee

“s”

Blackie Marole
Director

Tsodilo Resources Limited
Consolidated Statements of Loss and Comprehensive Loss

(In United States dollars)

Years Ended December 31

	2023	2022
Operating Expenses		
Corporate remuneration (<i>note 9</i>)	\$468,830	\$ 496,162
Corporate travel and subsistence	16,067	1,742
Investor relations	21,746	23,773
Legal and audit	121,539	86,879
Filings and regulatory fees	31,494	42,427
Administrative expenses	294,175	230,968
Amortization expense	43,042	--
Stock-based compensation (<i>note 7 and 9</i>)	215,802	335,950
	1,212,695	1,217,901
Other Income (Expense)		
Impairment of exploration and evaluation (<i>note 3</i>)	--	(876,351)
Other income, net of cost	64,882	75,955
Foreign exchange loss	(3,543)	(1,421)
	61,339	(801,817)
Loss for the year	(1,151,356)	(2,019,718)
Other Comprehensive Loss		
Foreign currency translation	(243,899)	(528,864)
Total Other Comprehensive Loss	(243,899)	(528,864)
Total Comprehensive Loss for the Year	(\$1,395,255)	(\$2,548,582)
Basic and diluted loss per share	(\$0.02)	(\$0.04)
Weighted average number of shares outstanding	52,267,581	49,658,622

See accompanying notes to the consolidated financial statements.

Tsodilo Resources Limited

Consolidated Statements of Changes in Shareholders' Equity

(In United States dollars except for shares)

2023

	Share Capital		Contributed Surplus Stock-based compensation & Other	Commitment to Issue Shares	Foreign Translation Reserve	Deficit	Total Equity
	Shares Issued	Amount					
Balance January 1, 2023	49,837,081	\$50,944,960	\$12,198,392	\$ 95,068	(\$6,939,102)	(\$53,170,284)	\$3,129,034
Units Issued	3,207,844	458,843	--	(95,068)	--	--	363,775
Stock-based compensation	--	--	215,802	--	--	--	215,802
Comprehensive loss	--	--	--	--	(243,899)	(1,151,356)	(1,395,255)
Balance December 31, 2023	53,044,925	\$51,403,803	\$12,414,194	\$ --	(\$7,183,001)	(\$ 54,321,640)	\$2,313,356

See accompanying notes to the consolidated financial statements.

2022

	Share Capital		Contributed Surplus Stock-based compensation & Other	Commitment to issue shares	Foreign Translation Reserve	Deficit	Total Equity
	Shares Issued	Amount					
Balance January 1, 2022	49,499,581	\$50,896,526	\$11,881,374	\$--	(\$6,410,238)	(\$51,150,566)	\$5,217,096
Options exercised	337,500	48,434	(18,932)	--	--	--	29,502
Commitment to issue shares	--	--	--	95,068	--	--	95,068
Stock based compensation	--	--	335,950	--	--	--	335,950
Comprehensive loss	--	--	--	--	(528,864)	(2,019,718)	(2,548,582)
Balance December 31, 2022	49,837,081	\$50,944,960	\$12,198,392	\$95,068	(\$6,939,102)	(\$ 53,170,284)	\$3,129,034

See accompanying notes to the consolidated financial statements.

Tsodilo Resources Limited
Consolidated Statements of Cash Flows

(In United States dollars)

	Years Ended December 31	
	2023	2022
Cash provided by (used in):		
Operating Activities		
Net loss for the year	(\$1,151,356)	(\$2,019,718)
Adjustments for non-cash items:		
Impairment on exploration and evaluation	--	876,351
Amortization	43,042	--
Interest on lease liability	1,290	1,858
Foreign exchange loss (gain)	3,543	1,421
Stock-based compensation	215,802	335,950
	(887,679)	(804,138)
Net change in non-cash working capital balances <i>(note 14)</i>	303,891	832,943
Cash (used in) provided by operating activities	(583,788)	28,805
Investing Activities		
Additions to exploration properties	(155,072)	(128,488)
Cash used in investing activities	(155,072)	(128,488)
Financing Activities		
Issuance of notes payable	324,760	25,000
Issuance of common shares and warrants	376,989	--
Commitment to issue shares	--	95,068
Cost of issuance	(13,214)	--
Options exercised	--	22,575
Cash payments on lease	(5,744)	(6,203)
Cash provided by financing activities	682,791	136,440
Impact of exchange on cash	17,876	(1,421)
Change in cash - for the year	(38,193)	35,336
Cash - beginning of year	40,049	4,713
Cash - end of year	\$ 1,856	\$ 40,049

Supplemental cash flow information – note 14

See accompanying notes to the consolidated financial statements.

Tsodilo Resources Limited

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023, and 2022
(All amounts are in U.S. dollars unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tsodilo Resources Limited ("Tsodilo" or "the Company") is an exploration stage company which is engaged principally in the acquisition, exploration, and development of mineral properties in the Republic of Botswana. The Company is incorporated under the laws of the Yukon Territory, Canada, under the Business Corporations Act of Yukon and the address of the Company's registered office is 1 King Street West, 48th Floor, Toronto, Ontario, Canada, M5H 1A1. The Company currently exists under the Business Corporations Act of Yukon and its common shares are listed on the Canadian TSX Venture Stock Exchange ("TSXV") under the symbol TSD. The Company's stock also trades on the US OTCQB Venture Market under the symbol "TSDRF".

The Company is considered to be in the exploration and development stage given that none of its properties are in production and, to date, have not earned any revenues. The recoverability of amounts shown for exploration and evaluation assets is dependent on the existence of economically recoverable reserves, the renewal or extension of exploration licenses, obtaining the necessary permits to operate a mine, obtaining the financing to complete exploration and development, and future profitable production.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company incurred a loss of \$1,151,356 (2022 - \$2,019,718) and comprehensive loss of \$1,395,255 (2022 - \$2,548,582) during the year ended December 31, 2023, and as of that date, the Company had an accumulated deficit of \$54,321,640 (2022 - \$53,170,284), and negative working capital of \$3,237,625 (2022 - \$2,570,493). The Company has not generated any revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future. The Company's continuation as a going concern depends on its ability to successfully raise financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company; therefore giving rise to a material uncertainty which cast significant doubt as to whether the Company's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of these consolidated financial statements.

Consequently, management is pursuing various financing alternatives to fund operations and advance its business plan. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company may determine to reduce the level of activity and expenditures further, or divest of certain mineral property assets, to preserve working capital and alleviate any going concern risk.

The consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future; and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance with International Financial Reporting Standards

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been authorized for release by the Company's Board of Directors on April 29, 2024.

(b) ***Basis of Preparation***

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss which are stated at their fair value. These consolidated financial statements are presented in United States dollars and include the accounts of the Company and the following direct and indirect subsidiaries:

Entity	2023	2022
Tsodilo Resources Bermuda Limited ("TRBL") [Bermuda]	100%	100%
Bosoto (Proprietary) Limited ("Bosoto") [Botswana]	100%	100%
Gcwihaba Resources (Proprietary) Limited ("Gcwihaba") [Botswana]	100%	100%
Newdico (Proprietary) Limited ("Newdico") [Botswana]	100%	100%

The accounting policies set out below have been applied consistently to all periods and years presented.

(c) ***Significant Accounting Judgments, Estimates and Assumptions***

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

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

Assets' carrying values and impairment charges.

i. Capitalization of exploration and evaluation costs

Management has determined that exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, proximity of operating facilities, operating management expertise and existing permits. In particular, the carrying value of the Company's exploration and evaluation assets is dependent upon the Company's determination with respect to the future prospects of its exploration and evaluation assets and the ability of the Company to successfully complete the renewal or extension process for its exploration properties as required.

ii. Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

iii. Estimation of decommissioning and restoration costs and timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is

determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

iv. Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

v. Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

vi. Functional Currency

The determination of each of the Company and its subsidiaries functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires the Company to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency the Company and each of its subsidiaries analyzed both the primary and secondary factors, including the currency of the Company's and subsidiaries' operating costs in Canada and Botswana, and sources of equity financing.

vii. Contingencies

See note 12.

(d) Earnings (Loss) per Common Share

Earnings (loss) per share calculations are based on the net loss attributable to common shareholders for the year divided by the weighted average number of common shares issued and outstanding during the year.

Diluted earnings per share calculations are based on the net loss attributable to common shareholders for the year divided by the weighted average number of common shares outstanding during the year plus the effects of dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the year (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the year. The incremental number of common shares that

would be issued is included in the calculation of diluted earnings per share.

(e) Exploration and Evaluation Assets

Exploration and evaluation assets include acquired mineral use rights for mineral properties held by the Company. The amount of consideration paid (in cash or share value) for mineral use rights is capitalized. The amounts shown for exploration and evaluation assets represent all direct and indirect costs relating to the acquisition, exploration and development of exploration properties, less recoveries, and do not necessarily reflect present or future values. These costs will be amortized against revenue from future production or written off if the exploration and evaluation assets are abandoned or sold. The Company has classified exploration and evaluation assets as intangible in nature. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of-production method based upon estimates of proven and probable reserves.

Proceeds received from farm-out agreements or recoveries of costs are credited against the cost of related claims.

Ownership of exploration and evaluation assets involves certain inherent risks, including geological, commodity prices, operating costs, and permitting risks. Many of these risks are outside the Company's control. The ultimate recoverability of the amounts capitalized for exploration and evaluation assets is dependent upon the delineation of economically recoverable ore reserves, the renewal or extension of exploration licenses, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate the mine, and realizing profitable production or proceeds from the disposition thereof.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale.

When events or changes in circumstances indicate that its carrying amount may not be recoverable, the Company will recognize an impairment in value based upon current exploration results and upon management's assessment of the future probability of revenues from the property or from the sale of the property.

(f) Property, Plant and Equipment

Property, plant, and equipment are stated at cost, less accumulated depreciation. Depreciation is calculated on a straight-line basis over the following terms:

Hangar	over remaining life of land lease
Vehicles	5 Years
Furniture and equipment	3 – 4 Years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant, and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

(g) Cash

Cash consists of cash held in banks and petty cash.

(h) Foreign Currency Translation

(i) Functional and presentation currency

The Company's functional and presentation currency is the United States dollar ("U.S. Dollar"). The functional currencies of the Company's subsidiaries are as follows:

Tsodilo Resources Bermuda Limited	("TRBL")	U.S. Dollar
Gcwihaba Resources (Pty) Limited	("Gcwihaba")	Botswana Pula
Newdico (Pty) Limited	("Newdico")	Botswana Pula
Bosoto (Pty) Limited	("Bosoto")	Botswana Pula

Each subsidiary and the Company's parent entity determine their own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by applying the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate prevailing at the reporting date.

(iii) Translation of foreign operations

As at the reporting date the assets and liabilities of Gcwihaba, Newdico, Bosoto, and Idada are translated into the presentation currency of the Company at the rate of exchange prevailing at the reporting date and their revenue and expenses are translated at the average exchange for the year. On consolidation, the exchange differences arising from the translation are recognized in other comprehensive loss and accumulated in the foreign currency translation reserve.

If Gcwihaba, Newdico, Bosoto, and Idada were sold, the amount recognized in the foreign currency reserve would be reallocated to profit or loss as part of the gain or loss on disposal.

(i) Income Taxes

Current taxes are the expected tax payable or receivable on the local taxable income or loss for the year, using the local tax rate enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Share-based Compensation

The Company follows the fair value method of accounting for stock option awards granted to employees and directors, whereby services are rendered as consideration for equity instruments (equity-settled transactions). The fair value of stock options is determined by the Black-Scholes Option Pricing model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares and an expected life of the options. The number of stock option awards expected to vest are estimated using a forfeiture rate based on historical experience and future expectations. The fair value of direct awards of stock is determined by the quoted market price of the Company's stock. Share-based compensation is amortized over the vesting period of the related stock option. When options are forfeited, any charges already recognized relating to unvested options are reversed. When an award is cancelled by the entity or by the counterparty, any remaining element of fair value of the award is expensed immediately through profit or loss. When an award expires unexercised the fair value originally allocated to the awardee remains in contributed surplus.

The Company uses graded or accelerated amortization which specifies that each vesting tranche must be accounted for as a separate arrangement with a unique fair value measurement. Each vesting tranche is subsequently amortized separately and in parallel from the grant date.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

(k) Severance Benefits

Under Botswana law, the Company is required to pay severance benefits for full-time employees upon the completion of 5 years of continued service if the employee so elects or upon the termination of employment.

Severance is earned at the rate of one day per month for an employee with less than five years of service and two days per month for employees with greater than five years of service. The specifics and benefits of the severance program mandated in Botswana are extended to full-time employees residing and working outside of Botswana. The cost of these severance benefits is accrued over the year of service until the benefit becomes payable. Portions of the severance expenses are capitalized to exploration and evaluation assets.

(l) Financial Assets

Under IFRS 9, all financial assets are initially recorded at fair value and designated upon inception into one of the following three categories: amortized cost, fair value through other comprehensive income ("FVOCI") or at fair value through profit or loss ("FVTPL"). All of the Company's financial assets are classified as amortized cost, being subsequently measured at amortized cost using the effective interest rate method.

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 profit or 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.

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 recognized in profit or loss.

(m) Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or at amortized cost. Financial liabilities classified as at amortized cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, amortized costs are subsequently measured at

amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the relevant year. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability. The Company's accounts payable and accrued liabilities, lease liability, and notes payable are classified as at amortized cost. Financial liabilities classified as FVTPL. Derivatives, including separated embedded derivatives, are also classified as FVTPL, and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in the statement of loss. Transaction costs associated with FVTPL liabilities are expensed as incurred.

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled or expire. The Company also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value.

(n) Impairment of Assets

At the end of each reporting period, the Company assesses each cash-generating unit to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of the fair value less cost to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risk of a specific asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Exploration and evaluation assets are assessed for impairment indicators under IFRS 6.

When an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(o) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities and includes, but is not limited to, key management personnel, directors, affiliated companies, and project partners. A transaction is considered to be a related party transaction when there is a transfer of resources, services, or obligations between related parties.

(p) Share Capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement ("Agreement"), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are valued using the residual value method which involves comparing the selling price of the units to the Company's share price on the announcement date of the financing. The market value is then applied to the common share, and any residual amount is assigned to the Warrants. Warrants that are issued as payment for agency fees or other transaction costs are accounted for as share issue costs and are recognized in equity. In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair

market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate exchange on the date the shares are issued.

(q) Provision for Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the 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 rehabilitation asset is depreciated on the same basis as mining assets. 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 expenditure. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. As at December 31, 2023, and 2022, the Company has determined that it does not have any decommissioning obligations.

(r) Lease Liability Accounting Policy

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

(s) Application of New Accounting Policies

During the year ended December 31, 2023, the Company adopted a number of amendments and improvements of existing standards. These included amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. These changes did not have any material impact on the Company's financial statements.

(t) New Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the ISAB or the IFRS Interpretive Committee that are mandatory for accounting periods beginning January 1, 2024, or later periods. The Company is currently assessing the potential impacts of these standards on the financial statements.

i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

ii. Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted.

iii. Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the IASB amended IAS 21 to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

3. EXPLORATION AND EVALUATION ASSETS:

Exploration and evaluation assets are summarized as follows:

	Bosoto Botswana			Newdico Botswana	Gcwihaba Botswana	TOTAL
	Project BK 16 Precious Stones	Project PL 217 Precious Stones	Bosoto Total	Project PL091 Industrial Minerals	Metals	
Balance at December 31, 2021	\$3,567,524	\$637,396	\$4,204,920	\$239,705	\$2,369,157	\$6,813,782
Additions	33,573	13,169	46,742	64,150	75,877	186,769
Net Exchange Differences	(270,608)	(65,892)	(336,500)	(12,177)	(202,928)	(551,605)
Impairment	--	(584,673)	(584,673)	(291,678)	--	(876,351)
Balance at December 31, 2022	3,330,489	--	3,330,489	--	2,242,106	5,572,595
Additions	70,030	--	70,030	--	85,042	155,072
Net Exchange Differences	(150,484)	--	(150,484)	--	(101,307)	(251,791)
Impairment	--	--	--	--	--	--
Balance at December 31 2023	\$3,250,035	\$ --	\$3,250,035	\$ --	\$2,225,841	\$5,475,876

Exploration and evaluation additions for the year-ended December 31, 2022, are summarized as follows:

	Bosoto Botswana			Newdico Botswana	Gcwihaba Botswana	TOTAL
	Project BK 16 Precious Stones	Project PL 217 Precious Stones	Bosoto Total	Project PL091 Industrial Minerals	Metals	
Drilling Expenditures	\$ 2,180	\$ 147	\$ 2,327	\$ 457	\$ 8,149	\$10,933
Amortization Drill Rigs, Vehicles & Trucks	4,022	--	4,022	49,371	4,887	58,280
Geophysics	150	150	300	--	22,346	22,646
Lab Analyses & Assays	837	--	837	--	19,157	19,994
License Fees	80	117	197	150	820	1,167
Maintenance, & Consumables	8,849	6,446	15,295	6,385	6,704	28,384
Salaries, Wages & Services	17,455	6,309	23,764	7,787	13,814	45,365
Balance at December 31, 2022	\$33,573	\$13,169	\$46,742	\$64,150	\$75,877	\$186,769

Exploration and evaluation additions for the year-ended December 31, 2023, are summarized as follows:

	Bosoto Botswana	Gcwihaba Botswana	TOTAL
	Project BK 16 Precious Stones	Metals	
Drilling Expenditures	\$ 2,464	\$ 6,344	\$8,808
Amortization Drill Rigs, Vehicles & Trucks	3,704	4,501	8,205
License Fees	56	811	867
Maintenance, & Consumables	10,561	23,529	34,090
Salaries, Wages & Services	53,245	49,857	103,102
Balance at December 31, 2023	\$70,030	\$85,042	\$155,072

General

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of permits and the potential for problems arising from government conveyance accuracy, prior unregistered agreements or transfers, native land claims, confirmation of physical boundaries, and title may be affected by undetected defects. The Company does not carry title insurance.

Exploration and Evaluation Assets (Royalties)

In the third Quarter 2017, the Company reached an agreement with Sandstorm Gold Ltd. ("Sandstorm") (NYSE MKT: SAND, TSX: SSL) to grant royalties on three projects in consideration of the payment of \$1,500,000.

The package of assets in the Royalty Sale includes:

- ◇ the grant of a 1% Net Smelter Return (NSR) on the Company's wholly owned Botswana subsidiary Gcwihaba Resources (Pty) Ltd. prospecting metal licenses in northwest Botswana;
- ◇ the grant of a 1% Gross Proceeds Royalty (GPR) on the Company's Botswana wholly owned subsidiary Bosoto (Pty) Ltd. precious stone prospecting license (PL217/2016) located in the Orapa Kimberlite Field; and,
- ◇ the grant of a 1% NSR on the Company's 70% owned South African subsidiary Idada 361 (Pty) Ltd. gold and silver prospecting license located in the Barberton Greenstone Belt in the Mpumalanga province of South Africa.

Sandstorm shall have a right of first refusal with respect to any third-party bona fide offers to purchase a metal or precious stone royalty on the properties.

On July 23, 2020, the Company reached an agreement with TBM (Pty) Ltd. ("TBM") to grant royalties (Royalty income) on its Botswana subsidiary Gcwihaba (Pty) Ltd. ("Gcwihaba") then seven (7) metal prospecting licenses in consideration of the payment of \$500,000.

The package of assets in the Royalty Sale includes:

- ◇ the grant of a 0.5% Net Smelter Return or Net Mineral Return on Gcwihaba's five (5) prospecting metal licenses in northwest Botswana.

Gcwihaba Resources (Pty) Ltd ("Gcwihaba") – Botswana

Gcwihaba, a wholly owned subsidiary of the Company holds five (5) Prospecting Licenses (PL) in the North-West district. On April 1, 2024, PL's 020-024/2018 were renewed for their 1st two-year renewal periods. The five licenses combined have a proposed minimum exploration expenditure requirement of 5,012,240 BWP (\$360,321) per annum as at April 1, 2024 (See note 15 - Subsequent Events).

Bosoto (Pty) Ltd ("Bosoto") – Botswana

Tsodilo was granted PL369/2014 over the BK16 kimberlite pipe through its 100% owned Botswana subsidiary, Bosoto, effective October 1, 2014. On June 21, 2021, a renewal of the second two-year renewal license was granted effective October 1, 2021, for pandemic relief. An application for a three-year extension in order to complete the work program delayed by the pandemic was filed in the second quarter of 2023 and is pending.

PL 217/2016 was acquired in the second quarter of 2017. The license had an effective date of January 1, 2017, for an initial period of 3-years followed by two 2-year renewals. The first renewal was granted on June 29, 2020, to be effective July 1, 2020.

A review of the Company's extensive exploration work on PL217/2016 was performed in the fourth quarter 2022 and it was determined that there is not enough gravel tonnage to make an economic project. Accordingly, the license was relinquished in its entirety in the fourth quarter of 2022. The Company has written off the capitalized cost of \$584,673 as impaired for that one license as at the year-ended December 31, 2022.

Newdico (Pty) Ltd ("Newdico") – Botswana

The Company holds a 100% interest in Newdico, which held one (1) industrial mineral (granite & dolerite) license.

In the 4th quarter 2022, a review of available data indicated that it is uneconomical to exploit. The Company decided to relinquish the license in its entirety. The Company has written off the capitalized costs of \$291,678 as impaired as at the year-ended December 31, 2022.

4. PROPERTY, PLANT, AND EQUIPMENT

Cost	Hangar	Vehicles	Furniture and Equipment	Right of Use Asset	Total
As at December 31, 2021	\$168,740	\$ 739,413	\$ 426,496	\$25,743	\$ 1,360,392
Foreign Exchange Difference	(14,260)	(62,487)	(34,572)	(2,176)	(113,495)
As at December 31, 2022	154,480	676,926	391,924	23,567	1,246,897
Additions					
Foreign exchange Difference	(6,980)	(30,586)	(16,923)	(1,064)	(55,553)
As at December 31, 2023	\$147,500	\$646,340	\$375,001	\$22,503	\$1,191,344

	Hangar	Vehicles	Furniture and Equipment	Right of Use Asset	Total
Accumulated Depreciation					
As at December 31, 2021	\$97,762	\$732,400	\$313,072	\$5,149	\$1,148,383
Depreciation	17,633	4,755	31,005	4,887	58,280
Foreign exchange Difference	(5,008)	(62,063)	(29,968)	(609)	(97,648)
As at December 31, 2022	110,387	675,092	314,109	9,427	1,109,015
Depreciation	16,311	1,760	28,689	4,522	51,281
Foreign Exchange Difference	(13,026)	(30,512)	(5,576)	(447)	(49,561)
As at December 31, 2023	\$113,673	\$646,340	\$337,222	\$13,502	\$1,110,736

Net book value

As at December 31, 2022	\$44,093	\$1,834	\$77,815	\$14,140	\$137,882
As at December 31, 2023	\$33,828	\$--	\$37,779	\$9,001	\$80,608

For the year ended December 31, 2023, \$8,239 (2022: \$58,280) in depreciation has been capitalized under exploration properties.

5. NOTES PAYABLE

As at December 31, 2023, notes payable in the amount of \$1,930,806 were outstanding from a related party. The notes have an annual interest rate of 8% and one of the notes carries a termination fee of 10% upon early redemption of the note. In addition, at the option of the note holder, the December 2018 note can be converted to stock at the discretion of the holder during future private placements that raise a minimum of CAD \$500,000, of those future private placements at the price of the private placement. The remaining notes are due on demand.

The notes payable at December 31, 2023, are summarized as follows:

Date	Balance 12/31/2022	Changes in 2023	Balance 12/31/2023	Interest Rate	Termination Fee	Maturity Date
31-Dec-18	\$273,006	\$--	\$273,006	8%	\$27,300	31-Dec-24
30-Jun-19	207,242	--	207,242	8%	NIL	On Demand
31-Dec-19	57,684	--	57,684	8%	NIL	On Demand
01-Oct-20	192,042	--	192,042	8%	NIL	On Demand
21-Jun-21	26,500	--	26,500	8%	NIL	On Demand
27-Jul-21	26,500	--	26,500	8%	NIL	On Demand
28-Aug-21	27,000	--	27,000	8%	NIL	On Demand
27-Sep-21	25,500	--	25,500	8%	NIL	On Demand
31-Dec-21	102,235	--	102,235	8%	NIL	On Demand
30-Jun-22	451,159	--	451,159	8%	NIL	On Demand
21-Sep-22	25,000	(25,000)	--	8%	NIL	19-Dec-22
30-Sep-22	100,738	--	100,738	8%	NIL	On Demand
31-Dec-22	91,440	--	91,440	8%	NIL	On Demand
1-July-23	--	166,880	166,880	8%	NIL	On Demand
31-Sep-23	--	91,440	91,440	8%	NIL	On Demand
31-Dec-23	--	91,440	91,440	8%	NIL	On Demand
Total	\$1,606,046	\$324,760	\$1,930,806		\$27,300	

*During the year-ended December 31, 2023, \$273,006 of notes payable had its maturity extended from December 31, 2023, to December 31, 2024.

- On June 30, 2022, a promissory note was issued for \$451,159 to an employee, who is a director of the Company. The note is payable on demand and has an annual interest rate of 8%.
- On September 21, 2022, a promissory note was issued for \$25,000. The note matured on December 19, 2022, and has an annual interest rate of 8%.
- On September 30, 2022, a promissory note was issued for \$100,738 to an employee, who is a director of the Company. The note is payable on demand and has an annual interest rate of 8%.
- On December 31, 2022, a promissory note was issued for \$91,440 to an employee, who is a director of the Company. The note is payable on demand and has an annual interest rate of 8%.
- On January 17, 2023, a \$25,000 promissory note dated September 21, 2022, was paid.
- On July 1, 2023, a promissory note was issued for \$166,880 to an employee, who is a director of the Company. The note is payable on demand and has an annual interest rate of 8%.
- On September 30, 2023, a promissory note was issued for \$91,440 to an employee, who is a director of the Company. The note is payable on demand and has an annual interest rate of 8%.
- On December 31, 2023, a promissory note was issued for \$91,440 to an employee, who is a director of the Company. The note is payable on demand and has an annual interest rate of 8%.

The notes payable at December 31, 2022, are summarized as follows:

Date	Balance 12/31/2021	Changes in 2022	Balance 12/31/2022	Interest Rate	Termination Fee	Maturity Date
31-Dec-18	273,006	--	273,006	8%	27,300	31-Dec-23
30-Jun-19	207,242	--	207,242	8%	NIL	On Demand
31-Dec-19	57,684	--	57,684	8%	NIL	On Demand
01-Oct-20	192,042	--	192,042	8%	NIL	On Demand
21-Jun-21	26,500	--	26,500	8%	NIL	On Demand
27-Jul-21	26,500	--	26,500	8%	NIL	On Demand
28-Aug-21	27,000	--	27,000	8%	NIL	On Demand
27-Sep-21	25,500	--	25,500	8%	NIL	On Demand
31-Dec-21	102,235	--	102,235	8%	NIL	On Demand
30-June-22		451,159	451,159	8%	NIL	On Demand
30-Sept-22		100,738	100,738	8%	NIL	On Demand
21-Sept-22		25,000	25,000	8%	NIL	On Demand
31-Dec-22		91,440	91,440	8%	NIL	On Demand
Total	\$937,709	\$668,337	\$1,606,046		\$27,300	

*During the year-ended December 31, 2022, \$273,006 of notes payable had its maturity extended from December 31, 2022, to December 31, 2023.

6. LEASE LIABILITY

The following table presents the lease obligation for the Company:

	December 31	
	2023	2022
Lease liability opening balance	\$ 15,614	\$ 21,633
Additions		--
Payments	(5,744)	(6,203)
Accretion	1,290	1,858
Exchange difference	(705)	(1,674)
Lease liability ending balance	10,455	15,614
Less current portion	(4,952)	(4,664)
Long-term portion	\$ 5,503	\$ 10,950

The incremental borrowing rate for the lease liabilities recognized was 10%. See note 12.

7. SHARE CAPITAL

(a) Common Shares

Authorized, Issued and outstanding

The authorized capital stock of the Company comprises an unlimited number of common shares with no par value. Issued and outstanding: 53,044,925 Common Shares as at December 31, 2023, and 49,837,081 at December 31, 2022.

1) Issued during the year ended December 31, 2023:

- On January 25, 2023, 2,500,941 units were issued at a price of C\$0.20 for proceeds to the Company of \$368,550 (C\$500,188). Each unit includes one common share and one warrant entitling the holder thereof to purchase one common share until the close of business on January 25, 2025, at USD \$0.20. \$11,670 (C\$10,207) of issuance cost were netted against the proceeds.
- On November 16, 2023, 706,903 units were issued at a price of C\$0.20 for proceeds to the Company of \$103,664 (C\$141,380). Each unit includes one common share and one warrant entitling the holder thereof to purchase one common share until the close of business on November 16, 2025, at USD \$0.20. \$1,701 (C\$3,309) of issuance cost were netted against the proceeds.

2) Issued during the year ended December 31, 2022:

- On July 12, 2022, 237,500 (C\$0.09) options were exercised for proceeds of \$16,452 (C\$21,375). The fair value of \$10,206 (C\$13,276) was reclassified from contributed surplus to share capital.
- On July 12, 2022, 100,000 (C\$0.17) options were exercised for proceeds of \$13,050 (C\$17,000). The fair value of \$8,726 (C\$11,350) was reclassified from contributed surplus to share capital.

(b) Warrants

As at December 31, 2023, and 2022, the following warrants were outstanding:

As at December 31, 2023

Expiry	Exercise price (USD)	Warrants outstanding	Remaining contractual life (years)
January 25, 2025	\$0.20	2,500,941	1.07
November 16, 2025	\$0.20	706,903	1.88
		3,207,844	

As at December 31, 2022

Expiry	Exercise price (USD)	Warrants outstanding	Remaining contractual life (years)
July 25, 2023*	\$0.55	2,504,055	0.00
August 10, 2023*	\$0.55	300,000	0.00
		2,804,055	

*During the year-ended December 31, 2022, the expiry of the warrants has been extended from January 25, 2023, and February 10, 2023, to July 25, 2023, and August 10, 2023.

December 31, 2023, Warrant activity summary

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at December 31, 2022	2,804,055	\$0.55
Issued	3,207,844	\$0.20
Expired	(2,804,055)	\$0.55
Exercised	--	--
Outstanding as at December 31, 2023	3,207,844	\$0.20

- On November 16, 2023, the company issued 706,903 warrants with an exercise price of \$0.20, expiring on November 16, 2025. As the strike price of these warrants is in U.S. Dollars, the warrants were classified as equity instruments. The values of the units are equal to the value of the common shares at the issuance date.
- On January 25, 2023, the company issued 2,500,941 warrants with an exercise price of \$0.20, expiring on January 25, 2025. As the strike price of these warrants is in U.S. Dollars, the warrants were classified as equity instruments. The values of the units are equal to the value of the common shares at the issuance date.

(c) Stock Option Plan

The Company has a stock option plan ("SOP") providing for the issuance of options that cannot exceed 9,830,420 shares of common stock. The Company may grant options to directors, officers, employees, and contractors, and other personnel of the Company or its subsidiaries. The exercise price of each option cannot be lower than the market price of the shares being the closing price of the Company's common shares on the TSX Venture Exchange the day before the grant date. Options generally vest ratably over an eighteen-month period, beginning with the date of issuance and every 6 months thereafter, and expire in five years from the date of grant as determined by the Board of Directors. On May 20, 2021, shareholders voted to increase the number of common shares of the Corporation reserved for issuance pursuant to the Stock Option Plan to 9,830,340 to reflect an amount equal to 20% of the outstanding common shares outstanding as at May 20, 2021.

The following Table summarizes the Company's stock option activity for the years ended December 31, 2023, and 2022:

	Number of Options	Weighted Average Exercise Price
Outstanding as at December 31, 2021	3,140,750	C\$0.49
Granted	1,425,000	C\$0.39
Exercised	(337,500)	C\$0.12
Expired	(547,000)	C\$0.80
Outstanding as at December 31, 2022	3,681,250	C\$0.43
Granted	1,600,000	C\$0.21
Exercised	--	--
Expired	(625,000)	C\$0.58
Outstanding as at December 31, 2023	4,656,250	C\$0.33

2023

- ◇ On January 1, 2023, the company granted 650,000 options exercisable at C\$0.20.
- ◇ On January 2, 2023, 175,000 stock options exercisable at C\$0.65 expired.
- ◇ On March 25, 2023, 450,000 stock options exercisable at C\$0.55 expired.
- ◇ On June 12, 2023, the company granted 950,000 options exercisable at C\$0.21

2022

- ◇ On January 1, 2022, the company granted 425,000 options at C\$0.64.
- ◇ On January 2, 2022, 125,000 stock options exercisable at C\$0.69 expired.
- ◇ On April 3, 2022, 350,000 stock options exercisable at C\$0.85 expired.
- ◇ On July 1, 2022, the company granted 1,000,000 options at C\$0.29.
- ◇ On July 12, 2022, 237,500 (C\$0.09) options were exercised for proceeds of \$16,452 (C\$21,375).
- ◇ On July 12, 2022, 100,000 (C\$0.17) options were exercised for proceeds of \$13,050 (C\$17,000).
- ◇ On November 21, 2022, 72,000 stock options exercisable at C\$0.75 expired.

The following assumptions were used in the Black Scholes option pricing model to fair value the stock options granted during the years ended December, 2023, and 2022:

	2023	2022
Expected lives	3.94 years	3.95 years
Expected volatilities (based on Company's historical prices)	116.17-118.77%	113.56-116.22%
Expected dividend yield	0%	0%
Risk free rates	3.99-4.07%	1.11-2.84%
Weighted average fair value of option	\$0.16	\$0.30

The following table summarizes stock options outstanding as at December 31, 2023:

Options Outstanding				Options Exercisable		
Exercise Price (C\$)	Number of Outstanding Options	Weighted Average Exercise Prices (C\$)	Weighted Average Remaining Contractual Life (Years)	Number of Exercisable Options	Weighted Average Exercise Prices (C\$)	Weighted Average Remaining Contractual Life (Years)
C\$0.28	50,000	C\$0.28	0.01	50,000	C\$0.28	0.01
C\$0.17	375,000	C\$0.17	0.43	375,000	C\$0.17	0.43
C\$0.07	162,500	C\$0.07	1.01	162,500	C\$0.07	1.01
C\$0.09	218,750	C\$0.09	1.72	218,750	C\$0.09	1.72
C\$0.47	275,000	C\$0.47	2.00	275,000	C\$0.47	2.00
C\$0.75	550,000	C\$0.75	2.39	550,000	C\$0.75	2.39
C\$0.64	425,000	C\$0.64	3.00	425,000	C\$0.64	3.00
C\$0.29	1,000,000	C\$0.29	3.50	750,000	C\$0.29	3.50
C\$0.20	650,000	C\$0.20	4.00	325,000	C\$0.20	4.00
C\$0.21	950,000	C\$0.21	4.45	475,000	C\$0.21	4.45
	4,656,250	C\$0.33	3.05	3,606,250	C\$0.37	2.74

The weighted average fair value of the grants in the year ended December 31, 2023, was C\$0.205 (2022 - C\$0.394)

8. INCOME TAXES

The recovery of income taxes varies from the amounts that would be computed by applying the Canadian federal and provincial statutory rate for 2023 of approximately 26.5% (2022: 26.5%) to loss before income taxes as follows:

	December 31, 2023	December 31, 2022
Loss for the year	(\$1,151,356)	(\$2,019,718)
Income tax rate	26.50%	26.50%
Expected income tax recovery	(\$305,000)	(\$545,324)
Foreign operation taxed at lower rates	39,000	50,135
Permanent differences	46,000	78,807
Change in benefits not recognized	220,000	416,382
Provision for income taxes	\$--	\$--

As of December 31, 2023, the following deferred tax assets and liabilities have been recognized:

	December 31, 2023	December 31, 2022
Property, Plant and Equipment	(\$21,000)	(\$19,000)
Exploration & Evaluation Assets	(2,715,000)	(2,066,000)
Deferred tax liabilities	(2,736,000)	(2,085,000)
Tax losses carried forward	2,736,000	2,085,000
Net deferred income tax asset recorded	\$--	\$--

As at December 31, 2023, the Company has unrecognized deductible temporary differences aggregating to \$14,906,000 (2022: \$14,434,000), that are available to offset future taxable income. However, these temporary differences relate to companies with a history of losses, and as a result are not recognized.

	December 31, 2023	December 31, 2022
Losses carried forward – Botswana	\$4,466,000	\$4,812,000
Losses carried forward – Canada	10,087,000	9,263,000
Other	353,000	359,000
	\$14,906,000	\$14,434,000

The Canadian tax losses of \$10,087,000 (2023: \$9,263,000) expire from 2026 through to 2043. The majority of Botswana tax losses can be carried forward indefinitely with the remainder expiring within five years.

9. RELATED PARTY TRANSACTIONS

Remuneration of Key Management Personnel of the Company

	For the year ended December 31	
	2023	2022
Short term employee remuneration and benefits	\$355,243	\$333,333
Stock-based compensation	180,322	238,221
Total compensation attributed to key management personnel	\$535,565	\$571,554

- ◇ During 2023, two individuals related to the CEO provided administrative and management services to the Company and was remunerated in the amount of \$65,784 (2022: \$48,000).
- ◇ During 2023, an individual related to key management personnel of the Company received \$9,476 in stock-

- based compensation during the year (2022: \$12,229).
- ◇ During 2023, a board member was issued notes payable in the amount of \$349,760 (2022: \$668,337). (see note 5)
 - ◇ As at December 31, 2023, there was a total of \$429,064 (2022: \$26,852) payables to related parties included within accounts payable and accrued liabilities. The amounts are unsecured, non-interest bearing and are due on demand.

10. SEGMENTED INFORMATION

The Company operates in one industry. As at December 31, 2023, the Company's property, plant, and equipment in Botswana was \$80,608 (2022: \$137,882) and exploration and evaluations properties in Botswana were \$5,475,876 (2022: \$5,572,595).

11. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, lease liabilities and notes payable.

The fair value of financial instruments is determined by valuation methods depending on hierarchy levels as defined below:

1. Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
2. Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company has no financial instruments measured at fair value. The carrying value of the financial instruments measured at amortized cost approximates its fair value.

Risk Exposure and Management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, foreign exchange risk, and interest rate risk. Where material these risks are reviewed and monitored by the Board of Directors.

(a) Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development and exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares and stock options. The Company manages the capital structure and makes adjustments to it considering 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, acquire, or dispose of assets or adjust the amount of cash on hand.

The Company anticipates continuing to access equity markets to fund continued exploration of its mineral properties and the future growth of the business. However, there is no guarantee that such financing will be available when required.

There has been no change in the Company's approach to capital management during 2023 and 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

(b) 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 is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has a working capital deficiency of \$3,237,625 at December 31, 2023 (2022: \$2,570,493).

(c) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash balances. The Company limits exposure to credit risk through maintaining its cash with high-credit quality financial institutions. The majority of the Company's cash is held with a major Canadian based financial institution.

(d) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. Because the cash is held on deposit at financial institutions and may be withdrawn at any time, and the notes payable have fixed interest rates, the Company's exposure to interest rate risk is not significant.

(e) Foreign Exchange Risk

The Company is exposed to currency risks on its Pula denominated working capital balances due to changes in the USD/BWP exchange rate. Based on the net Pula denominated financial instruments exposures as at December 31, 2023, a ten-percentage change in the exchange rate would result in approximately a \$50,000 (2022: \$36,444) impact to the Company's net comprehensive loss.

The Company issues equity in Canadian dollars and the majority of its expenditures are in U.S. dollars. The Company purchases U.S. dollars based on its near-term forecast expenditures and do not hedge its exposure to currency fluctuations.

12. COMMITMENTS AND CONTINGENCIES**Prospecting Licenses**

The Company holds prospecting licenses which require the Company to spend a proposed minimum amount on prospecting over the period of the licenses.

The Company has proposed mineral interest commitments with its Bosoto and Gcwihaba licenses. On April 1, 2024, PL's 020-024/2018 were renewed for their 1st two-year renewal periods. The five licenses combined have a proposed minimum exploration expenditure requirement of 5,012,240 BWP (\$360,321 USD) per annum as at April 1, 2024.

Exploration Activities

The Company's exploration activities are subject to various Botswana laws and regulations governing the protection of the environment. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Lease & Service Commitments

Due to the impact of the Covid pandemic, expenditures for both the Gcwihaba and Bosoto projects was greatly reduced from pre-pandemic levels.

Currently, the aggregate minimum annual payments are as follows:

Year	Facility	Term	BWP			USD*
			Yearly Rental	Services	Total	
2024	Hangar Maun ¹	2/01/2016 – 12/31/2026	176,593	26,489	203,082	14,978
2024	Shakawe Plot ²	1/01/2021 – 12/31/2025	77,880	-	77,880	5,740
2024	Gaborone ³	2/01/2024 – 1/31/2025	-	98,000	98,000	7,228
2024	Letlhakane Plot ⁴	2/21/2018 – 12/31/2068	29,998	-	29,998	2,212
	Total					30,158

*aggregate costs converted at January 1 of the current calendar year

¹ Newdico purchased the hangar facility from Commercial Holdings (Pty) Ltd. (CHPT) in February 2016. The hangar facility resides on a commercial plot located at the Maun International Airport rented by CHPT from Civil Aviation Authority of Botswana (CAAB). The purchase agreement called for a transfer of the CPHT/CAAB lease to Newdico upon purchase of the hangar facility. The parties all agree to the transfer taking place but to date, the lease transfer has not occurred. The lease has an effective date of January 1, 2016, and continues for 10 years at 8% escalation annually which may be reviewed every three (3) years at market and commercial rates. As at February 1, 2024, the monthly lease payment is 14,807 BWP / month in addition to a fee of 15% of monthly rental for security and general maintenance at the airport complex. (See note 6)

² The lease has an effective date of January 1, 2021, and is renewable at the Company's option for an additional 6 years expiring on December 31, 2025. The monthly lease payment is 6,490 BWP increasing 420 BWP annually in each successive year. . (See note 6)

³ The twelve-month service agreement has an effective date of February 1, 2023, and is renewable at the company's option for an additional year expiring January 31, 2024. The monthly lease payment is 8,000 BWP/month.

⁴ The lease term has an effective date of February 2018. Newdico's obligations under the lease are effective as of October 1, 2020. The lease cost is 29,998 BWP per annum, which may be reviewed every five (5) years at market and commercial rates. The lease has a term of fifty (50) years cancelable by either party on six (6) months' notice.

13. Litigation:

On or about June 30, 2021, the Company's wholly owned Botswana subsidiary, Gcwihaba Resources (Pty) Ltd. (Gcwihaba) submitted prospecting renewal license applications for its Xaudum Iron Formation project in northwest Botswana. Of the then current 7 licenses, two licenses were relinquished in their entirety and 5 were submitted for renewal.

On December 15, 2023, the High Court, Republic of Botswana rendered its judgement.

On March 4, 2024, PL's 020 – 024/2018, were issued with an effective date of April 1, 2024, for their first renewal period of two years.

14. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended December 31	
	2023	2022
Net change in non-cash working capital balances:		
(Increase) decrease in accounts receivable and prepaid expenses	\$ 20,274	(\$ 27,065)
Increase (decrease) in accounts payable and accrued liabilities	283,617	216,671
Increase in notes payable for operating activities	--	643,337
Total	\$303,891	832,943
Non-cash Financing and Investing Activities:		
Issuance of common shares for accounts payable and accrued liabilities	\$ --	\$ 6,927
Reclassification of accounts payable to notes payable	\$ --	\$ 643,337
Fair value of options exercised	\$ --	\$ 18,932

15. SUBSEQUENT EVENTS

- On January 1, 2024, the company granted 500,000 options exercisable at C\$0.24.
- On January 2, 2024 50,000 stock options exercisable at C\$0.28 expired.
- On March 21, 2024, 621,600 units were issued at a price of C\$0.20 for proceeds to the Company of \$91,983 (C\$124,332). Each unit includes one common share and one warrant entitling the holder thereof to purchase one common share until the close of business on March 21, 2026, at USD \$0.20.
- On April 1, 2024, PL's 020-024/2018 were renewed for their 1st two-year renewal period. The five licenses combined have a proposed minimum exploration expenditure requirement of 5,012,240 BWP (\$360,321 USD) per annum as at April 1, 2024.