

TRANSATLANTIC MINING CORP.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instruments 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these consolidated interim financial statements in accordance with the standards by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

TRANSATLANTIC MINING CORP.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
As at
(Expressed in Canadian dollars)

	June 30, 2023 (\$) (Unaudited)	December 31, 2022 (\$) (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	2,180,829	1,341,131
Short-term investments	-	1,354,400
Receivables (Note 9)	1,689	1,704
Prepaid expenses	27,560	38,142
Investment (Note 6)	1,133,073	1,653,953
	3,343,151	4,389,330
Non-Current Assets		
Equipment (Note 4)	34,666	45,836
Reclamation bonds (Note 5)	194,947	197,745
Exploration and evaluation assets (Note 5)	1,620,023	1,606,769
Total Assets	5,192,787	6,239,680
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 7 and 10)	4,386,528	4,598,078
Current income tax payable	1,092,597	1,149,207
Total Liabilities	5,479,125	5,747,285
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	21,495,847	21,495,847
Share-based payment reserve (Note 8)	4,405,872	4,405,872
Deficit	(26,188,057)	(25,409,324)
Total Shareholders' Equity	(286,338)	492,395
Total Liabilities and Shareholders' Equity	5,192,787	6,239,680

Nature of operations and going concern (Note 1)
Subsequent event (Note 14)

 "Bernie Sostak" , Director
Bernie Sostak

 "Ray Parry" , Director
Ray Parry

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

TRANSATLANTIC MINING CORP.
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in Canadian dollars)
(Unaudited)

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
MINERAL PROPERTY EXPENSES (Notes 5 and 7)	\$ 157,096	\$ 221,757	\$ 382,415	\$ 484,679
ADMINISTRATION EXPENSES				
Administrative costs	1,028	1,584	2,384	7,527
Amortization (Note 4)	5,665	23,923	11,370	47,646
Corporate communications	2,148	1,199	4,223	3,800
Consulting fees (Note 7)	993	2,166	3,432	5,382
Filing fees	5,779	8,689	14,082	13,370
Management fees (Note 7)	14,972	15,113	26,215	30,289
Office	1,585	7,109	2,524	20,056
Professional fees	36,716	7,160	37,466	8,913
Project investigation costs	-	7,075	-	20,395
Travel	1,208	2,956	2,473	7,777
Total administration expenses	70,094	76,974	104,169	165,155
Loss before other items	(227,190)	(298,731)	(486,584)	(649,834)
OTHER ITEMS				
Change in fair value of investments (Note 6)	(166,517)	(1,090,880)	(146,551)	(988,353)
Foreign exchange gain (loss)	(15,986)	135,495	(10,454)	33,260
Gain (loss) on sale of Endomines shares (Note 6)	599	(57,969)	(166,673)	(79,401)
Interest income	31,529	55,238	31,529	111,154
	(150,375)	(958,116)	(292,149)	(923,340)
NET LOSS AND COMPREHENSIVE LOSS	\$ (377,565)	\$ (1,256,847)	\$ (778,733)	\$ (1,573,174)
Loss per common share – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares – basic and diluted	86,639,916	83,639,916	86,639,916	83,639,916

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

TRANSATLANTIC MINING CORP.
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in Canadian dollars)

	Share Capital		Share-based payment and other reserves (\$)	Deficit (\$)	Total equity (\$)
	Shares	Amount (\$)			
Balance, December 31, 2021	86,639,916	21,495,847	4,405,872	(21,704,586)	4,197,133
Net and comprehensive loss for the period	-	-	-	(1,573,174)	(1,573,174)
Balance, June 30, 2022	86,639,916	21,495,847	4,405,872	(23,277,760)	2,623,959
Balance, December 31, 2022	86,639,916	21,495,847	4,405,872	(25,409,324)	492,395
Net and comprehensive loss for the period	-	-	-	(778,733)	(778,733)
Balance, June 30, 2023	86,639,916	21,495,847	4,405,872	(26,188,057)	(286,338)

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

TRANSATLANTIC MINING CORP.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in Canadian dollars)
(Unaudited)

	For the three months ended June 30, 2023 (\$)	For the three months ended June 30, 2022 (\$)	For the six months ended June 30, 2023 (\$)	For the six months ended June 30, 2022 (\$)
OPERATING ACTIVITIES				
Net loss for the period	(377,565)	(1,256,847)	(778,733)	(1,573,174)
Adjustment for non-cash items:				
Amortization	5,665	23,923	11,370	47,646
Change in fair value of shares consideration	166,517	1,090,880	146,551	988,353
Loss (gain) on sale of Endomines shares	(599)	57,969	166,673	79,401
Interest income	-	(52,890)	-	(104,765)
Foreign exchange loss (gain)	88,067	(166,163)	68,127	(82,954)
Income tax paid	(12,479)	-	(31,368)	-
Net changes in non-cash working capital items:				
Receivables	-	177,062	-	352,648
Prepaid expenses	4,188	(1,843)	10,582	46,197
Accounts payable and accrued liabilities	(42,514)	3,053	(211,550)	(202,881)
Net operating cash flows	(168,720)	(124,856)	(618,348)	(449,529)
INVESTING ACTIVITIES				
Proceeds from sale of investment	(1,541)	206,872	178,293	382,247
Proceeds from short term investment	1,360,300	-	1,360,300	-
Mineral properties acquisition costs	(13,254)	(12,886)	(13,254)	(12,886)
Net investing cash flows	1,345,505	193,986	1,525,339	369,361
Foreign exchange impact on cash	(89,022)	(1,819)	(67,293)	(2,878)
Change in cash	1,176,785	69,130	906,991	(80,168)
Cash, beginning	1,093,066	417,711	1,341,131	568,068
Cash, ending	2,180,829	485,022	2,180,829	485,022
Cash and cash equivalents:				
Cash	1,518,829	485,022	1,518,829	485,022
Redeemable term deposit	662,000	-	662,000	-
	2,180,829	485,022	2,180,829	485,022

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

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

1. NATURE OF OPERATIONS AND GOING CONCERN

Transatlantic Mining Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia). The Company is engaged in the acquisition and exploration of mineral property interests. The Company’s registered and head office is located at Suite 400 – 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6. The Company’s shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol “TCO”.

The accompanying consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company’s continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately the attainment of profitable operations and positive cash flows. Failure to obtain sufficient financing will have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated interim financial statements do not give effect to adjustments that might be necessary to the carrying values, classification of assets and liabilities, and the reported operating results should the Company be unable to continue as a going concern and such adjustments may be material. For the six months ended June 30, 2023, the Company had net loss of \$778,733, and as at June 30, 2023 had working capital deficit of \$2,135,974. Management’s plan includes continuing to pursue additional sources of financing through equity offerings, suitable debt financing and/or other financing arrangements and where practical, to reduce overhead costs.

2. BASIS OF PRESENTATION

These consolidated interim financial statements were approved for issue by the board of directors on August 29, 2023.

Statement of compliance with International Financial Reporting Standards

These consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) as issued by International Accounting Standards Board (“IASB”), and interpretations of the IFRS Interpretations Committee (“IFRIC”). Therefore, these consolidated interim financial statements comply with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting”.

Consolidation

These consolidated interim financial statements include the records of the Company and its wholly-owned subsidiaries Archean Star Resources Australia Pty Ltd. (“ASA”), incorporated in Australia, Transatlantic Contracting Corp. and Transatlantic Montana Corp., both incorporated in the USA. All intercompany transactions, balances and any unrealized gains and losses from intercompany transactions are eliminated in preparing the consolidated financial statements.

Significant estimates and assumptions

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue 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, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

2. BASIS OF PRESENTATION (CONTINUED)

Significant estimates and assumptions (continued)

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 further periods if the review affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Significant judgments

The preparation of consolidated interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in the Company's consolidated interim financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and the determination of the functional currency of the parent company and its subsidiaries.

Basis of presentation

These consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's principal accounting policies are outlined below:

(a) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

(b) Foreign currency translation

The consolidated interim financial statements for the Company and its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is the Canadian dollar. The functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the consolidated statements of comprehensive loss.

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received, or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using a Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(d) Environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of the mineral property when those obligations result from the acquisition, development or normal operations of the assets. The net present value of future rehabilitation cost estimates arising from decommissioning a site and other work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using 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 exploration and evaluation 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 expenditures. These changes are recorded directly to exploration and evaluation 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 and loss.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to comprehensive loss in the period incurred.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provisions as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

(e) Exploration and evaluation assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes: 1) researching and analysing historical exploration data 2) gathering exploration data through topographical, geochemical and geophysical studies 3) exploratory drilling, trenching and sampling 4) determining and examining the volume and grade of the resource 5) surveying transportation and infrastructure requirements 6) conducting market and finance studies.

Exploration and evaluation costs are charged to profit and loss as incurred except for expenditures associated with the acquisition of exploration and evaluation assets, which are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit and loss in the consolidated statements of comprehensive loss.

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Exploration and evaluation assets (continued)

If economically recoverable reserves are developed and commercial production is established capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, capitalized costs in respect of the project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated recoveries, are written off to profit or loss.

(f) Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of a significant replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on a straight-line method to charge the cost, less residual value, of the assets to their residual values over their estimated useful lives over a term of 2 to 6 years.

(g) Income taxes

Current income tax:

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

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Loss per share

Basic loss per share is computed by dividing the net loss by the weighted average number of outstanding shares in issue during the reporting period. Diluted loss 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 loss 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 a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

(i) Comprehensive loss

Comprehensive loss is defined as the change in net assets that results from transactions and other events from non-owner sources and includes items that are not included in net profit (loss), such as unrealized gains and losses related to securities measured at fair value through other comprehensive income and foreign currency gains and losses resulting from the translation of self-sustaining foreign operations.

The Company has no items that are required to be reported in comprehensive loss. Accordingly, net loss equals comprehensive loss.

(j) Financial instruments

Classification

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

The following table shows the classification under IFRS 9:

Financial assets/liabilities	IFRS 9 classification
Cash	FVTPL
Receivables	Amortized cost
Investment	FVTPL
Accounts payable	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

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

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of comprehensive loss.

(k) Impairment of non-financial assets

At each statement of financial position date, in accordance with IAS 36 "*Impairment of Assets*", the Company assesses whether there is any indication that any of those assets have suffered an impairment loss. If any indication exists, the Company estimates the asset's recoverable amount.

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment of non-financial assets (continued)

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit ("CGU"), exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the reporting period. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset or CGU shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

The recoverable amount is the greater of an asset's or CGU fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Warrants

The Company uses the residual method for accounting for warrants issued as part of units. Under this method warrants are assigned a value equal to the excess of the unit purchase price over the then prevailing market price of the Company's shares. When the units are priced at or below market there is no excess and the warrants are valued at \$Nil.

(m) Segment reporting

A reportable segment, as defined by 'IFRS 8 *Operating Segments*', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the mineral exploration segment. As the political risks, likelihood of positive results, assets, liabilities and cash flows of the mineral exploration segment are substantially the same to those of the consolidated Company; no separate analysis has been provided.

(n) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets are subsequently amortized from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option.

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FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Leases (continued)

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option due to a significant event or change in circumstances. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(o) Accounting standards issued but not yet effective

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. EQUIPMENT

	Equipment (\$)
Cost:	
Balance, December 31, 2021	847,337
Addition	21,718
Disposal	(593,190)
Balance, June 30, 2023 and December 31, 2022	275,865
Amortization:	
Balance, December 31, 2021	708,757
Disposal	(493,893)
Charge for the year	15,595
Foreign exchange movement	(430)
Balance, December 31, 2022	230,029
Charge for the period	11,370
Foreign exchange movement	(200)
Balance, June 30, 2023	241,199
Balance, December 31, 2022	45,836
Balance, June 30, 2023	34,666

During the year ended December 31, 2022, the Company disposed of assets for \$Nil (2021 - \$Nil proceeds resulting in a loss of \$99,297 (2021 - \$Nil).

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

5. EXPLORATION AND EVALUATION ASSETS

	Golden Jubilee Project (\$)	Miller Mine Gold Project (\$)	Monitor Property (\$)	St. Lawrence Property (\$)	Total (\$)
Acquisition costs					
Balance, December 31, 2021	697,860	138,327	617,339	109,281	1,562,807
Additions	2,786	-	28,290	12,886	43,962
Balance, December 31, 2022	700,646	138,327	645,629	122,167	1,606,769
Additions	-	-	-	13,254	13,254
Balance, June 30, 2023	700,646	138,327	645,629	135,421	1,620,023

(a) Monitor Property

On February 5, 2013, as amended on March 12, 2015, the Company entered into an option and joint venture agreement with American Cordillera Mining Corporation (“AMCOR”), and Northern Adventures LLC (“NALLC”) whereby it has the right to earn 80% of AMCOR’s 100% leasehold interest in a Purchase Option Mining Lease Agreement between AMCOR and NALLC on the Monitor Property, located in Idaho, USA. In order for the Company to earn the 80% interest in the Monitor Property, subject to certain underlying royalties, the Company must:

- (i) pay US\$25,000 in cash (paid);
- (ii) incur property expenditures of US\$2,100,000 over three years (completed); and
- (iii) issue 400,000 common shares of the Company in stages, all of which have been issued in prior years.

In exchange for an amendment in prior years, the Company paid additional consideration of 150,000 common shares (issued at a fair value of \$30,000 in previous year) and US\$25,000 cash (paid in previous year).

The Company shall have the right to exercise a buyout clause and thereby purchase a 100% interest in the property from NALLC and terminate the Purchase Option Mining Lease Agreement. Upon exercise of the buy-out option, AMCOR shall be obligated to contribute 20% of the cost of the acquisition of the property.

If the Company exercises the option, AMCOR shall receive a 20% carried interest until such time as the earlier of:

- (i) a NI 43-101 compliant Feasibility Study is completed; and
- (ii) the Company has notified AMCOR in writing of its decision to proceed with mining of the property.

The Company exercised the option to earn 80% interest and a joint venture is deemed to be formed between the Company and AMCOR, where AMCOR will hold a 20% joint venture interest and the Company will hold an 80% joint venture interest in the Monitor claims.

At June 30, 2023, the Company has \$54,065 (US\$39,918) (December 31, 2022 - \$54,065 (US\$39,918) refundable performance bonds during the period for security for mineral exploration on the property.

(b) St. Lawrence Property

On June 25, 2015, the Company entered into a Lease Agreement for a parcel of land (the “St. Lawrence Property”) on the Montana/Idaho border. The term of the lease is for 25 years, with an option to renew for a further 25 years. As consideration, the Company issued 130,000 common

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(b) St. Lawrence Property (continued)

shares of the Company (issued with a fair value of \$19,500) and a 1% net smelter royalty (“NSR”) from any production from the Monitor Property and St. Lawrence Property.

The Company is obligated to pay an annual maintenance fee of US\$10,000 upon the execution of the Lease Agreement (paid) and upon each anniversary date of the Lease Agreement. The landowner may terminate the lease agreement after seven years if the Company has not paid during that period NSR or equivalent cash payments totaling at least US\$150,000.

The landowner may also terminate the lease after three years if the Company has not incurred by that time at least US\$100,000 in expenditures on the St. Lawrence Property. As at June 30, 2023, the Company incurred \$275,841 (December 31, 2022 - \$261,550) in accumulated expenditures related to St. Lawrence Property.

As of June 30, 2023, the Company has paid all required lease payments for the years 2019 to 2023.

(c) Alder Mountain Project

On September 24, 2020, the Company closed the sale with Endomines Idaho, LLC (“Endomines”) of U.S. Grant Mine and Mill property.

At June 30, 2023, the Company has refundable performance bonds of \$19,018 (US\$14,500) (December 31, 2022 - \$19,018 (US\$14,500) for security of drilling activity and tailings dam requirements for the property.

(d) Kearsarge Gold Project

On September 24, 2020, the Company closed the transaction to sell the Kearsarge gold project rights to Endomines.

(e) Miller Mine Gold Project

On July 2, 2019, the Company entered into an exclusive agreement to lease with an option to purchase the Miller Mine in the Broadwater County of Montana. The agreement is subject to an initial due diligence period including the Company’s election to lease and purchase with a profit share arrangement consideration. The Company has been granted an exclusive due diligence right to data and information on the Miller Mine Patented and Unpatented claims to August 15, 2019, extended to October 31, 2020. As at June 30, 2023, funds have been spent on due diligence for property sampling the old development, reviewing old data, including drill set up and report reviews.

The terms of the agreement include:

- A First Renewal Term of 24 months following the expiry of the due diligence period for consideration of US \$100,000 in cash or shares equivalent at a per share amount of between \$0.05 and \$0.10 at the Company’s election. The Company is also to spend a further US \$100,000 in development in the first renewal term.
- A Second Renewal Term of 24 months on the expiry of the First Renewal Term for consideration of US \$100,000 spent in that period.

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(e) Miller Mine Gold Project (continued)

- Should mining occur at any time, an 8.5% royalty on ounces produced must be paid. During the term of the agreement, the Company may purchase the property for US\$4,500,000, less the payments made above, and a perpetual 1% gold NSR to the vendor thereafter.

During the year ended December 31, 2020, the Company exercised the First Renewal Term and paid US\$25,000 in cash. The remaining consideration for entering the First Renewal Term of US\$75,000 was paid on April 20, 2021. On April 22, 2021, Alder Mountain Milling Corporation (“AMM”) with the agreement and acknowledgement of Olympus Resources LLC (“Lessor”), assigned, sold, set over and conveyed unto Transatlantic Montana Corporation (“TMC”) all of the lessee’s right, title and interest in and to the Mining Lease, including without limitation, the leasehold estate created thereby under the Mining Lease dated July 2, 2019. TMC agreed to assume the obligations of the lessee under the Mining Lease.

(f) Golden Jubilee Project

On December 14, 2020, the Company entered into a Letter of Intent (“LOI”) to purchase the Golden Jubilee Project consisting of 22 unpatented mining claims situated in Granite County, Montana, along with any and all equipment and assets situated on or used in connection with the exploration of such mining claims. The property is subject to an underlying lease agreement incorporating a 3% net smelter royalty. The Company will pay US\$550,000 to the seller in tranches as follows:

- US\$100,000 due upon completion of due diligence (paid).
- US\$25,000 due on December 14, 2020 (paid).
- US\$375,000 due on February 15, 2021 (paid).
- US\$50,000 due October 30, 2021 (paid).

On March 11, 2021, the Company completed the purchase of 100% of the Golden Jubilee Project.

At June 30, 2023, the Company has refundable performance bonds of \$121,864 (US\$92,042) (December 31, 2022 - \$124,663 (US\$92,042)) for security of drilling activity requirements for the property.

On December 14, 2021, the Company entered into an agreement for the option to purchase the lease rights over the Golden Jubilee mine from the Gunsinger Group Inc. (“Gunsinger”). The option to purchase consideration of US\$2,200,000 is by way of a gold production royalty along with its obligated agreements in Granite County, Montana, United States. The mining leases cover approximately 292 acres in area and include the existing Golden Jubilee mine. The Company had previously secured the underlying ownership rights to the property from Profile US Inc. on March 11, 2021, subject to the Gunsinger Group’s lease rights. The completion of the option to purchase will give the Company complete ownership over the property including the Red Lion mill private land site.

The following summarizes key points to the transaction:

- Payment of US\$2,200,000 for mining and exploration rights financed by the payment royalty between US\$100 and US\$300 per ounce of gold dependent on the realized gold price, to be fully satisfied by December 1, 2027;
- An additional set of payments of US\$250,000 made on each milestone gold production of 20,000, 30,000 and 40,000 ounces; and
- There are obligations to comply with an underlying Gunsinger lease agreement and rights to the use of the Red Lion mill site, including incurring US\$300,000 in exploration and mine

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(f) Golden Jubilee Project (continued)

- development in each of the first four mining seasons, with each mining season defined as a minimum six months of mining, uninterrupted by State or Federal Regulators for reasons beyond the Company's control.

Exploration and evaluation asset expenses incurred on the properties are as follows:

For the Six Months Ended June 30, 2023					
	Golden Jubilee Project (\$)	Monitor (\$)	St. Lawrence (\$)	Miller Mine (\$)	Total (\$)
Assays and analysis	4,676	-	-	5,186	9,862
Consultants (Note 7)	20,602	5,781	2,578	25,814	54,775
Drilling	159	-	-	5,225	5,384
General and administrative field cost	5,440	1,282	963	46,544	54,229
Management fees (Note 7)	41,000	10,000	8,000	33,000	92,000
Professional fees	36,277	3,500	2,750	11,500	54,027
Rent	-	-	-	42,999	42,999
Repairs and maintenance	-	-	-	9,238	9,238
Salaries and wages	-	-	-	44,247	44,247
Travel, accommodation, and fuel	190	468	-	14,996	15,654
Total	108,344	21,031	14,291	238,749	382,415

For the Six Months June 30, 2022					
	Golden Jubilee Project (\$)	Monitor (\$)	St. Lawrence (\$)	Miller Mine (\$)	Total (\$)
Assays and analysis	6,012	-	-	1,068	7,080
Consultants (Note 7)	48,093	13,683	3,454	54,128	119,358
Drilling	7,040	-	-	25,087	32,127
General and administrative field cost	2,357	2,124	1,517	14,879	20,877
Management fees (Note 7)	42,000	21,000	15,000	30,000	108,000
Meals and entertainment	96	-	-	-	96
Professional fees	35,882	5,250	3,750	7,500	52,382
Rent	-	-	-	24,260	24,260
Repairs and maintenance	-	-	-	30,515	30,515
Salaries and wages	636	-	-	73,769	74,405
Travel, accommodation and fuel	2,079	-	-	13,500	15,579
Total	144,195	42,057	23,721	274,706	484,679

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6. INVESTMENT

Common shares of Endomines	Number of Shares	Fair Value (\$)
Balance, December 31, 2021*	303,673	4,341,340
Sale of shares	(76,104)	(1,243,604)
Change in fair value of shares	-	(1,623,262)
Foreign exchange movement	-	179,479
Balance, December 31, 2022	227,569	1,653,953
Sales of Shares	(20,028)	(345,862)
Change in fair value of shares	-	(146,551)
Foreign exchange movement	-	(28,467)
Balance, June 30, 2023	207,541	1,133,073

*On September 26, 2022, Endomines share split its existing common shares by forty existing common shares into one common shares.

On September 24, 2020, the Company closed the sale and purchase agreement with Endomines. In connection with the closing, the Company received 384,813* shares in Endomines at a 10-day volume-weighted average price (VWAP) price of 184* Swedish Krona per share (the majority of these shares had an escrow period of six months as per the asset sales agreement and was released from escrow during the year ended December 31, 2021).

During the six months ended June 30, 2023, the Company sold 20,028 (2022 - 1,101,590) shares for total proceeds of \$178,293 (2022 - \$382,247) and realized a loss of \$166,673 (2022 - \$79,401). At June 30, 2023, the market value of the investment decreased and an unrealized loss of \$146,551 (2022 - \$988,353) was recognized in consolidated statement of comprehensive loss. The investment is valued based on the quoted price of Endomines on the Stockholm Stock Exchange.

7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include directors and senior officers of the Company.

The following table summarizes services provided by related parties:

	Six Months Ended June 30, 2023 (\$)	Six Months Ended June 30, 2022 (\$)
Management (a)	100,000	120,000
Consulting and director fees (b)	38,215	38,289
	138,215	158,289

(a) The Company accrued management fees of \$100,000 (2022 - \$120,000) to the CEO of the Company, of which \$92,000 (2022 - \$108,000) is included in property expenditures.

(b) The Company accrued consulting fees of \$20,000 (2022 - \$20,000), of which \$18,500 (2022 - \$18,000) is included in property expenditures, and director fees of \$18,215 (2022 - \$18,289) to directors of the Company.

As of June 30, 2022, \$3,421,209 (December 31, 2022 - \$3,483,265) is due to related parties, being directors of the Company, for the services above, which is included in accounts payable and accrued liabilities (Note 10). Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

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8. ISSUED CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Share capital transactions

No shares were issued during the six months ended June 30, 2023 and year ended December 31, 2022.

On September 21, 2021, the Company issued 3,000,000 common shares with a fair value of \$120,000 pursuant to debt settlement agreement with former CEO and director of the Company to settle outstanding debt of \$208,879. A gain on debt settlement of \$88,879 was recognized in the consolidated statements of comprehensive loss during the year ended December 31, 2021 (Note 10).

(c) Stock options

The Company may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares or fixed 20% as approved by Shareholders. Options will be exercisable for a period of up to 10 years from the date of grant. The option price shall be not less than the discounted market price on the grant date, and the expiry date shall be set by the board at the time of grant of the option.

	Weighted Average Options	Weighted Average Exercise Price (\$)
Balance, June 30, 2023 and December 31, 2022 and 2021	14,000,000	0.05

As at June 30, 2023, the following stock options were outstanding and exercisable:

Number	Weighted Average Exercise Price (\$)	Expiry Date	Weighted Average Remaining Contractual Life (in year)
14,000,000	0.05	June 23, 2024	0.98

(d) Warrants

As at June 30, 2023 and December 31, 2022, the Company had no share purchase warrants outstanding.

(e) Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

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9. RECEIVABLES

	June 30, 2023	December 31, 2022
	(\$)	(\$)
Other receivables	1,689	1,704
Total	1,689	1,704

During the year ended December 31, 2022, the Company fully collected the receivable from Endomines including the US\$2,000,000 for its royalty consideration as part of the sales and purchase agreement for the U.S. Grant project.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2023	December 31, 2022
	(\$)	(\$)
Accounts payable	796,883	798,682
Accrued liabilities	145,623	288,333
Sales tax payable	22,813	27,798
Due to related parties (Note 7)	3,421,209	3,483,265
Total	4,386,528	4,598,078

During the year ended December 31, 2021, a gain on debt settlement of \$88,879 was recognized pursuant to shares for debt settlement agreement with former CEO and director of the Company (Note 8) and \$95,521 through cash payments to certain creditors in the consolidated statements of comprehensive loss.

11. FINANCIAL INSTRUMENTS

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

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

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

The fair value of cash is based on level 1 inputs. Receivables and accounts payable approximate their carrying values due to the immediate or short-term maturity of these financial instruments. The fair value of the Company's investment securities, which are publicly traded, was estimated using level 1 inputs being the quoted market price.

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

Credit risk: Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash accounts and its receivable. This risk is managed through the use of a major bank

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11. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

that is a high credit quality financial institution as determined by rating agencies. The risk associated with its receivables is minimal.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Liquidity risk is assessed as high.

Currency risk: Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. The Company is exposed to currency exchange rate risk to the extent of its activities in Australia and the United States.

Management believes the foreign exchange risk derived from currency conversions from the Australian and American operations is not significant and does not hedge its foreign exchange risk.

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

	June 30, 2023	December 31, 2022
	(\$)	(\$)
Cash	4,245	7,975
Accounts payable	(229,509)	(260,401)
	(225,264)	(252,426)

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

	June 30, 2023	December 31, 2022
	(\$)	(\$)
Cash	1,980,482	2,422,555
Accounts payable	(1,624,843)	(1,787,383)
	355,639	635,172

Based on the above net exposures, as at June 30, 2023, a 5% change in the Australian dollar to Canadian dollar exchange rate would impact the Company's net loss by \$11,263 and by \$17,782 for a 5% change in the US dollar to Canadian dollar.

Industry risk: The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity-based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

Interest rate risk: Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is not significant as the Company's assets and liabilities do not bear any interest.

Capital management: The Company manages its capital structure based on the funds available to the Company, in order to fund its general and administration expenses, support acquisition, maintenance,

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11. FINANCIAL INSTRUMENTS (continued)

Capital management (continued)

exploration, and development of mineral properties. The capital structure of the Company consists of equity and debt obligations, net of cash and cash equivalents. The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage, so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed. The Company is not subject to any externally imposed restrictions on capital. There were no changes in the Company's approach to capital management during the period.

12. SEGMENTED INFORMATION

Operating segments

The Company had one reportable operating segment, being the acquisition, exploration, and disposition of interests in mineral properties located in one geographical segment, the USA. The Company has no mineral properties in Australia.

Geographic segments

The following non-current assets, which consist of equipment and exploration and evaluation assets, are located in the following countries:

	June 30, 2023	December 31, 2022
	(\$)	(\$)
USA	1,849,636	1,850,350

13. LITIGATION

The Company is involved in litigation and disputes arising from the normal course of operations. Management is of the opinion that the outcome of any potential litigation will not have a material adverse impact on the Company's financial position or results of operations. At June 30, 2023, the Company has accrued for what it believes is a reasonable amount with respect to any litigation claims.

14. SUBSEQUENT EVENT

On July 11, 2023, the Company entered into debt settlement agreement with Peter Kletas (PJK & Associates with its nominees) (the "Creditor"), whereby the Company is indebted to the Creditor in the amount of \$60,353. The Creditor has agreed to accept \$4,000 cash consideration as full settlement of all outstanding debt.