

TRANSATLANTIC MINING CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Transatlantic Mining Corp.

Opinion

We have audited the consolidated financial statements of Transatlantic Mining Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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Other Information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current year 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 on the audit resulting in this independent auditor's report is Otto Ehinger.

A handwritten signature in black ink that reads "DMCL." The letter "D" is large and stylized, with a vertical line through it. The letters "M", "C", and "L" are smaller and more standard in style.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 1, 2023

TRANSATLANTIC MINING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31,
(Expressed in Canadian dollars)

	2022	2021
	(\$)	(\$)
ASSETS		
Current Assets		
Cash and cash equivalents	1,341,131	568,068
Short-term investments	1,354,400	-
Receivables (Notes 6 and 10)	1,704	2,844,458
Prepaid expenses	38,142	77,530
Investment (Note 7)	1,653,953	4,341,340
	4,389,330	7,831,396
Non-Current Assets		
Equipment (Note 4)	45,836	138,580
Reclamation bonds (Note 5)	197,745	135,709
Exploration and evaluation assets (Note 5)	1,606,769	1,562,807
Total Assets	6,239,680	9,668,492
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 8 and 11)	4,598,078	4,391,131
Current income tax payable (Note 12)	1,149,207	625,652
Deferred tax liability (Note 12)	-	454,576
Total Liabilities	5,747,285	5,471,359
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	21,495,847	21,495,847
Share-based payment reserve (Note 9)	4,405,872	4,405,872
Deficit	(25,409,324)	(21,704,586)
Total Shareholders' Equity	492,395	4,197,133
Total Liabilities and Shareholders' Equity	6,239,680	9,668,492

Nature of operations and going concern (Note 1)

 "Bernie Sostak" , Director
Bernie Sostak

 "Ray Parry" , Director
Ray Parry

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

TRANSATLANTIC MINING CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in Canadian dollars)

	2022	2021
	(\$)	(\$)
MINERAL PROPERTY EXPENSES (Notes 5 and 8)	1,567,738	837,121
ADMINISTRATION EXPENSES		
Accretion and accrued interest	-	2,597
Administrative costs	10,828	9,459
Amortization (Note 4)	15,595	91,649
Corporate communications	10,049	10,452
Consulting fees (Note 8)	13,887	21,498
Filing fees	20,101	17,802
Management fees (Note 8)	57,136	69,388
Office	28,940	12,598
Professional fees	64,890	59,217
Project investigation costs	20,872	19,856
Travel	20,495	8,048
Total administration expenses	262,793	322,564
Loss before other items	(1,830,531)	(1,159,685)
OTHER ITEMS		
Change in fair value of investments (Note 7)	(1,623,262)	(559,176)
Foreign exchange gain (loss)	170,771	(32,567)
Loss on disposal of assets (Notes 4 and 6)	(99,297)	-
Gain on debt settlement (Notes 9 and 11)	-	184,400
Loss on sale of Endomines shares (Note 7)	(471,748)	(94,245)
Gain on receivable modification (Note 6)	-	26,860
Interest income (Note 6)	165,889	207,425
Other income	9,109	1,881
	(1,848,538)	(265,422)
NET AND COMPREHENSIVE LOSS BEFORE TAX	(3,679,069)	(1,425,107)
Income tax expense (Note 12)	25,669	219,323
NET LOSS AND COMPREHENSIVE LOSS	(3,704,738)	(1,644,430)
Loss per common share – basic and diluted	(0.04)	(0.02)
Weighted average number of common shares – basic and diluted	86,639,916	84,472,334

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

TRANSATLANTIC MINING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Canadian dollars)

	Share Capital		Share-based payment and other reserves (\$)	Deficit (\$)	Total equity (\$)
	Shares	Amount (\$)			
Balance, December 31, 2020	83,639,916	21,375,847	4,405,872	(20,060,156)	5,721,563
Shares issued for debt settlement (Note 9)	3,000,000	120,000	-	-	120,000
Net and comprehensive loss for the year	-	-	-	(1,644,430)	(1,644,430)
Balance, December 31, 2021	86,639,916	21,495,847	4,405,872	(21,704,586)	4,197,133
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 year	-	-	-	(3,704,738)	(3,704,738)
Balance, December 31, 2022	86,639,916	21,495,847	4,405,872	(25,409,324)	492,395

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

TRANSATLANTIC MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in Canadian dollars)

	2022	2021
	(\$)	(\$)
OPERATING ACTIVITIES		
Net loss for the year	(3,704,738)	(1,644,430)
Adjustment for non-cash items:		
Amortization	15,595	91,649
Income tax expense	25,669	219,323
Change in fair value of shares consideration	1,623,262	559,176
Loss on sale of assets	99,297	-
Gain on debt settlement	-	(184,400)
Gain on receivable modification	-	(26,860)
Loss on sale of Endomines shares	471,748	94,245
Interest income	(165,889)	(207,425)
Foreign exchange loss (gain)	(289,122)	101,020
Income tax paid	(30,288)	-
Net changes in non-cash working capital items:		
Receivables	3,083,732	1,263,786
Prepaid expenses	39,388	(57,797)
Accounts payable and accrued liabilities	206,947	(642,554)
Net operating cash flows	1,375,601	(434,267)
INVESTING ACTIVITIES		
Proceeds from sale of investment	771,856	1,441,236
Purchase of equipment	(21,718)	(38,021)
Purchase of investment	(1,354,400)	(421,720)
Reclamation bonds	(54,065)	(82,379)
Mineral properties	(43,962)	(637,810)
Net investing cash flows	(702,289)	261,306
Foreign exchange impact on cash	99,751	(33,419)
Change in cash	673,312	(172,961)
Cash, beginning	568,068	774,448
Cash, ending	1,341,131	568,068
Cash and cash equivalents:		
Cash	663,931	568,068
Redeemable term deposit	677,200	-
	1,341,131	568,068

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

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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 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 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 year ended December 31, 2022, the Company had net loss of \$3,704,738, and as at December 31, 2022 had working capital deficit of \$1,357,955. 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 financial statements were approved for issue by the board of directors on May 1, 2023.

Statement of compliance with International Financial Reporting Standards

These consolidated 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”).

Consolidation

These consolidated 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 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.

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.

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

2. BASIS OF PRESENTATION (CONTINUED)

Significant estimates and assumptions (continued)

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 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 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 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 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 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 FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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 FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Exploration and evaluation assets

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 FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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 FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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 FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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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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.

3. EQUIPMENT

	Equipment (\$)
Cost:	
Balance, December 31, 2020	809,316
Addition	38,021
Balance, December 31, 2021	847,337
Addition	21,718
Disposal	(593,190)
Balance, December 31, 2022	275,865
Amortization:	
Balance, December 31, 2020	616,646
Charge for the year	91,649
Foreign exchange movement	462
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
Balance, December 31, 2021	138,580
Balance, December 31, 2022	45,836

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).

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5. EXPLORATION AND EVALUATION ASSETS

	Golden Jubilee Project (\$)	Miller Mine Gold Project (\$)	Monitor Property (\$)	St. Lawrence Property (\$)	Total (\$)
Acquisition costs					
Balance, December 31, 2020	222,810	31,805	587,277	83,105	924,997
Additions	475,050	106,522	30,062	26,176	637,810
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

(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 December 31, 2022, the Company has refundable performance bonds of \$54,065 (US\$39,918) (2021 - \$Nil) for security for mineral exploration on the property.

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(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 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. Although the cash payment of US \$150,000 has not been paid, the landowner has confirmed that the Lease Agreement remains in good standing.

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 December 31, 2022, the Company incurred \$261,550 (2021 - \$227,765) in accumulated expenditures related to St. Lawrence Property.

As of December 31, 2022, the Company has paid all required lease payments.

(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 (Note 6).

At December 31, 2022, the Company has refundable performance bonds of \$19,018 (US\$14,500) (2021 - \$19,018) 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 (Note 6).

(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 December 31, 2022, 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.

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(e) Miller Mine Gold Project (continued)

- 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.
- 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 December 31, 2022, the Company has refundable performance bonds of \$124,663 (US\$92,042) (2021 - \$116,691 (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

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(f) Golden Jubilee Project (continued)

- 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 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 Year Ended December 31, 2022				
	Golden Jubilee Project (\$)	Monitor (\$)	St. Lawrence (\$)	Miller Mine (\$)	Total (\$)
Assays and analysis	233,724	-	-	22,801	256,525
Consultants (Note 8)	65,027	26,065	5,192	374,929	471,213
Drilling	7,204	-	-	32,120	39,324
General and administrative field cost	28,802	4,563	2,189	107,842	143,396
Management fees (Note 8)	90,000	42,000	21,000	66,000	219,000
Meals and entertainment	593	-	-	-	593
Planning and surveying	23,849	-	-	13,460	37,309
Professional fees	49,706	11,010	5,404	17,423	83,543
Rent	-	-	-	79,304	79,304
Repairs and maintenance	-	-	-	59,224	59,224
Salaries and wages	17,595	-	-	113,291	130,886
Travel, accommodation, and fuel	6,107	3,292	-	38,022	47,421
Total	522,607	86,930	33,785	924,416	1,567,738

	For the Year Ended December 31, 2021				
	Golden Jubilee Project (\$)	Monitor (\$)	St. Lawrence (\$)	Miller Mine (\$)	Total (\$)
Assays and analysis	-	-	-	5,131	5,131
Consultants (Note 8)	44,119	19,087	8,439	114,785	186,430
Drilling	90,350	-	-	21,234	111,584
General and administrative field cost	8,225	6,421	4,419	48,075	67,140
Management fees (Note 8)	45,000	63,000	48,000	87,000	243,000
Meals and entertainment	4,058	71	-	-	4,129
Planning and surveying	13,732	1,178	1,178	4,984	21,072
Professional fees	13,444	15,932	12,656	24,066	66,098
Rent	11,719	-	-	43,399	55,118
Repairs and maintenance	-	-	-	25,461	25,461
Salaries and wages	8,941	-	-	19,981	28,922
Travel, accommodation and fuel	280	304	-	22,452	23,036
Total	239,868	105,993	74,692	416,568	837,121

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6. ASSETS HELD FOR SALE

	Alder Mountain Project (\$)	Kearsarge Gold Project (\$)	Total (\$)
Balance, December 31, 2019	7,142,587	37,210	7,179,797
Additions	-	171,416	171,416
Sold during the year ended December 31, 2020	(7,142,587)	(208,626)	(7,351,213)
Balance, December 31, 2020, 2021 and 2022	-	-	-

On April 21, 2020, the Company entered into an agreement with Endomines to sell the U.S. Grant Mine and Mill in conjunction with the lease assignment of the Kearsarge Gold Project (the “assets”). A summary of the purchase consideration for the assets was as follows:

- Shares of Endomines common stock with a market value of 95% of the value of the Company’s issued and outstanding shares at an agreed value of \$0.10 per share (Transatlantic shares outstanding x 95% x \$0.10) (received, Note 7);
- Cash payment of US\$550,000 (received);
- Cash payment of US\$2,000,000 (due May 31, 2020); and
- Further payment of US\$2,000,000 due on or before September 28, 2022, or first gold produced on these assets, whichever is earlier.

Endomines has paid to the Company a total of US\$1,390,299 in cash, as part of a US\$2,000,000 payment that was originally due May 31, 2020, and which was later extended to July 31, 2020. On September 16, 2020 and June 10, 2021, the Company entered into an amended and restated agreement with Endomines whereby Endomines agreed to pay the unpaid balance of US\$609,701 in fourteen equal instalments of US\$46,224 beginning on July 1, 2021 to August 1, 2022.

As at the date these consolidated financial statements were authorized, all monthly payments due from Endomines were received by the Company. The unpaid balance from time to time carried interest at the rate of 4% and is secured against the purchased properties. The present value of the unpaid balance was US\$631,241 discounted at 4%. The Company recognized a gain on modification of \$26,860 (US\$21,540) in the consolidated statement of comprehensive loss during the year ended December 31, 2021. During the year ended December 31, 2022, the Company recognized \$7,136 (US\$5,486) as interest income (2021 - \$13,048 (US\$10,409)). At December 31, 2022, the balance receivable is \$Nil (2021 - \$461,867 (US\$364,306)).

The long-term US\$2,000,000 owing was discounted to its present value of US\$1,683,360 at a rate of 9% and is being accreted over time. During the year ended December 31, 2022, the Company recognized \$158,753 (US\$121,996) as interest income (2021 - \$194,377 (US\$155,065)). As of December 31, 2022, the balance is \$Nil (2021 - \$2,380,933 (US\$1,878,004)).

As at December 31, 2022, the balance owing from Endomines including the long-term balance is \$Nil (2021 - \$2,842,800 (US\$2,242,310)) (Note 10).

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7. INVESTMENT

Common shares of Endomines	Number of Shares	Fair Value (\$)
Balance, December 31, 2020*	361,999	6,057,633
Addition in shares	28,184	421,720
Distribution of subscription rights	361,999	-
Sale of subscription rights	(331,999)	-
Sale of shares	(86,510)	(1,535,481)
Exercise of subscription rights	(30,000)	-
Change in fair value of shares, net of accretion of discount	-	(559,176)
Foreign exchange movement	-	(43,356)
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

*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 year ended December 31, 2022, the Company sold 76,104 (2021 – 86,510) shares for total proceeds of \$771,856 (2021 - \$1,441,236) and realized a loss of \$471,748 (2021 - \$94,245). At December 31, 2022, the market value of the investment decreased and an unrealized loss of \$1,623,262 (2021 - \$559,176) was recognized in consolidated statement of comprehensive loss. The investment is valued based on the quoted price of Endomines on the Stockholm Stock Exchange.

8. 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:

	2022	2021
	(\$)	(\$)
Management (a)	240,000	270,000
Consulting and director fees (b)	76,136	87,388
	316,136	357,388

(a) The Company accrued management fees of \$240,000 (2021 - \$270,000) to the CEO of the Company, of which \$219,000 (2021 - \$243,000) is included in property expenditures.

(b) The Company accrued consulting fees of \$40,000 (2021 - \$45,000), of which \$7,000 (2021 - \$40,500) is included in property expenditures, and director fees of \$36,136 (2021 - \$42,388) to directors of the Company.

As of December 31, 2022, \$3,483,265 (2021 - \$3,580,672) is due to related parties, being directors of the Company, for the services above, which is included in accounts payable and accrued liabilities (Note 11). Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

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9. ISSUED CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Share capital transactions

No shares were issued during the 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 11).

(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.

	Options	Weighted Average Exercise Price (\$)
Balance, December 31, 2020	15,150,000	0.12
Expired	(1,150,000)	1.00
Balance, December 31, 2022 and 2021	14,000,000	0.05

As at December 31, 2022, 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	1.48

(d) Warrants

	Warrants	Weighted Average Exercise Price (\$)
Balance, December 31, 2020	2,538,734	0.15
Expired	(2,538,734)	0.15
Balance, December 31, 2022 and 2021	-	-

As at December 31, 2022 and 2021, 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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10. RECEIVABLES

	December 31, 2022	December 31, 2021
	(\$)	(\$)
Receivable from Endomines (Note 6)	-	2,842,800
Other receivables	1,704	1,658
Total	1,704	2,844,458

As at 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 (Note 6).

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2022	December 31, 2021
	(\$)	(\$)
Accounts payable	798,682	620,526
Accrued liabilities	288,333	161,735
Sales tax payable	27,798	28,198
Due to related parties (Note 8)	3,483,265	3,580,672
Total	4,598,078	4,391,131

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 9) and \$95,521 through cash payments to certain creditors in the consolidated statements of comprehensive loss.

12. INCOME TAXES

	December 31, 2022	December 31, 2021
	(\$)	(\$)
Net loss before tax	(3,679,069)	(1,425,107)
Statutory tax rate	26.46%	25.88%
Expected income tax recovery	(973,414)	(368,632)
Deferral of gain on sale of assets	-	454,576
Non-deductible items	184,718	328,295
Change in unrecognized deferred tax assets	814,365	(194,916)
Income tax expense	25,669	219,323

Income tax expense includes current income tax of \$492,245 (2021 - \$120,602) and deferred tax recovery of \$466,576 (2021 – expense \$98,721).

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12. INCOME TAXES (CONTINUED)

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	December 31, 2022	December 31, 2021
	(\$)	(\$)
Non-capital losses – Canada	3,541,494	3,520,904
Non-capital losses – United States	66,517	119,590
Non-capital losses – Australia	1,195,805	1,180,992
Capital losses – Canada	313,344	313,344
Capital losses – Australia	799,964	799,964
Share issuance costs	60,471	92,293
Equipment and other	27,392	(32,190)
Exploration and evaluation assets	648,630	(610,221)
Less: Valuation allowance	(6,653,617)	(5,839,252)
Net deferred income tax liability	-	(454,576)

No deferred tax liability has been recognized as at December 31, 2022 (2021 - \$Nil) on temporary differences associated with investments in subsidiaries where the Company can control the timing of the reversal of the temporary difference and the reversal is not probable in the foreseeable future.

The Company has non-capital losses of approximately \$17,355,000 (2021 - \$17,547,000) available to offset deferred income for income tax purposes which commence as follows:

Expiry	Canada	USA	Australia	Total
	(\$)	(\$)	(\$)	(\$)
2031	396,000	-	-	396,000
2032	394,000	-	-	394,000
2033	1,316,000	-	-	1,316,000
2034	1,583,000	-	-	1,583,000
2035	471,000	-	-	471,000
2036	1,919,000	-	-	1,919,000
2037	1,474,000	-	-	1,474,000
2038	941,000	-	-	941,000
2039	791,000	-	-	791,000
2040	3,557,000	-	-	3,557,000
2041	21,000	63,000	-	84,000
2042	253,000	190,000	-	443,000
No expiry	-	-	3,986,000	3,986,000
	13,116,000	253,000	3,986,000	17,355,000

Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the consolidated financial statements as the Company has provided a full valuation allowance for the potential deferred tax assets resulting from these loss carry forwards.

13. 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:

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FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

13. FINANCIAL INSTRUMENTS (CONTINUED)

- 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 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:

	December 31, 2022	December 31, 2021
	(\$)	(\$)
Cash	7,975	22,344
Accounts payable	(260,401)	(334,713)
	(252,426)	(312,369)

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13. FINANCIAL INSTRUMENTS (CONTINUED)

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

	December 31, 2022	December 31, 2021
	(\$)	(\$)
Cash	2,422,555	248,062
Receivables	-	2,842,800
Accounts payable	(1,787,383)	(443,663)
	635,172	2,647,199

Based on the above net exposures, as at December 31, 2022, a 5% change in the Australian dollar to Canadian dollar exchange rate would impact the Company's net loss by \$12,621 and by \$31,759 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, 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.

14. 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:

	December 31, 2022	December 31, 2021
	(\$)	(\$)
USA	1,850,350	1,837,096

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15. 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 December 31, 2022, the Company has accrued for what it believes is a reasonable amount with respect to any litigation claims.