

TRANSATLANTIC MINING CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022



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, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (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, 2023 and 2022, 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 events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Vancouver

1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey

200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities

700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria

320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

April 26, 2024

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

	2023	2022
	(\$)	(\$)
ASSETS		
Current Assets		
Cash and cash equivalents	1,031,620	1,341,131
Short-term investments - GIC	661,300	1,354,400
Receivables	1,689	1,704
Prepaid expenses	21,474	38,142
Investment (Note 6)	1,481,365	1,653,953
	3,197,448	4,389,330
Non-Current Assets		
Equipment (Note 4)	81,757	45,836
Reclamation bonds (Note 5)	195,373	197,745
Exploration and evaluation assets (Note 5)	1,652,780	1,606,769
Total Assets	5,127,358	6,239,680
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 7 and 9)	4,402,685	4,598,078
Current income tax payable (Note 12)	1,036,030	1,149,207
Total Liabilities	5,438,715	5,747,285
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 8)	21,495,847	21,495,847
Share-based payment reserve (Note 8)	4,405,872	4,405,872
Deficit	(26,213,076)	(25,409,324)
Total Shareholders' Equity (Deficiency)	(311,357)	492,395
Total Liabilities and Shareholders' Equity (Deficiency)	5,127,358	6,239,680

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)

	2023	2022
	(\$)	(\$)
MINERAL PROPERTY EXPENSES (Notes 5 and 7)	982,133	1,567,738
ADMINISTRATION EXPENSES		
Accretion and accrued interest	11,046	-
Administrative costs	4,425	10,828
Amortization (Note 4)	22,296	15,595
Corporate communications	10,014	10,049
Consulting fees (Note 7)	5,474	13,887
Filing fees	21,725	20,101
Management fees (Note 7)	52,867	57,136
Office	8,431	28,940
Professional fees	108,894	64,890
Project investigation costs	-	20,872
Travel	28,978	20,495
Total administration expenses	274,150	262,793
Loss before other items	(1,256,283)	(1,830,531)
OTHER ITEMS		
Change in fair value of investments (Note 6)	891,405	(1,623,262)
Foreign exchange gain (loss)	(882)	170,771
Gain on debt settlement (Note 9)	86,399	-
Loss on disposal of assets (Note 4)	-	(99,297)
Impairment of equipment (Note 4)	(3,485)	-
Loss on sale of Endomines shares (Note 6)	(576,681)	(471,748)
Interest income	55,775	165,889
Other Income	-	9,109
	452,531	(1,848,538)
NET AND COMPREHENSIVE LOSS BEFORE TAX	(803,752)	(3,679,069)
Income tax expense (Note 12)	-	25,669
NET LOSS AND COMPREHENSIVE LOSS	(803,752)	(3,704,738)
Loss per common share – basic and diluted	(0.01)	(0.04)
Weighted average number of common shares – basic and diluted	86,639,916	86,639,916

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

TRANSATLANTIC MINING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Share Capital		Share-based payment and other reserves (\$)	Deficit (\$)	Total equity (deficiency) (\$)
	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 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
Net and comprehensive loss for the year	-	-	-	(803,752)	(803,752)
Balance, December 31, 2023	86,639,916	21,495,847	4,405,872	(26,213,076)	(311,357)

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)

	2023	2022
	(\$)	(\$)
OPERATING ACTIVITIES		
Net loss for the year	(803,752)	(3,704,738)
Adjustment for non-cash items:		
Amortization	22,296	15,595
Income tax expense	-	25,669
Change in fair value of investments	(891,405)	1,623,262
Gain on debt settlement	(86,399)	-
Loss on sale of Endomines shares	576,681	471,748
Loss on sale of assets	-	99,297
Interest income	-	(165,889)
Impairment of equipment	3,485	-
Foreign exchange loss (gain)	35,291	(289,122)
Income tax paid	(87,959)	(30,288)
Net changes in non-cash working capital items:		
Receivables	-	3,083,732
Prepaid expenses	16,668	39,388
Accounts payable and accrued liabilities	(163,698)	206,947
Net operating cash flows	(1,378,792)	1,375,601
INVESTING ACTIVITIES		
Proceeds from sale of investment	448,962	771,856
Proceeds from short term investment	1,360,300	-
Purchase of equipment	-	(21,718)
Purchase of short-term investments	(661,300)	(1,354,400)
Reclamation bonds	-	(54,065)
Mineral properties acquisition costs	(46,011)	(43,962)
Net investing cash flows	1,101,951	(702,289)
Foreign exchange impact on cash	(32,670)	99,751
Change in cash	(276,841)	673,312
Cash, beginning	1,341,131	568,068
Cash, ending	1,031,620	1,341,131
Cash and cash equivalents:		
Cash	1,031,620	663,931
Redeemable term deposit	-	677,200
	1,031,620	1,341,131
Supplemental disclosures of cash flow information:		
Interest received	55,775	165,889
Interest paid	-	-

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, 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 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, 2023, the Company had net loss of \$803,752 and as at December 31, 2023 had working capital deficit of \$2,241,267. 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 April 26, 2024.

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.

TRANSATLANTIC MINING CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 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 and current income tax payable, 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 MATERIAL ACCOUNTING POLICY INFORMATION

The Company's material 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, 2023 AND 2022

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (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, 2023 AND 2022

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (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, over their estimated useful lives of 2 to 5 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, 2023 AND 2022

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (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 and equivalents	FVTPL
Receivables	Amortized cost
Investment	FVTPL
Short-term 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, 2023 AND 2022

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (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, 2023 AND 2022

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (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) 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.

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4. EQUIPMENT

	Equipment (\$)
Cost:	
Balance, December 31, 2021	847,337
Addition	21,718
Disposal*	(593,190)
Balance, December 31, 2022	275,865
Addition	54,704
Balance, December 31, 2023	330,569
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 year	22,296
Foreign exchange movement	(6,998)
Balance, December 31, 2023	245,327
Impairment	
Balance, December 31, 2022 and 2021	-
Charge for the year**	3,485
Balance, December 31, 2023	3,485
Balance, December 31, 2022	45,836
Balance, December 31, 2023	81,757

*During the year ended December 31, 2023, the Company disposed of assets for \$Nil (2022 - \$Nil) proceeds resulting in a loss of \$Nil (2022 - \$99,297).

**During the year ended December 31, 2023, the Company recognized an impairment of \$3,485 (2022 - \$Nil) on equipment.

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	5,163	-	27,594	13,254	46,011
Balance, December 31, 2023	705,809	138,327	673,223	135,421	1,652,780

(a) Monitor Property

The Company holds an 80% interest in the Monitor claims joint venture between the Company and AMCOR, where AMCOR holds the remaining 20% interest.

At December 31, 2023, the Company has \$54,065 (US\$39,918) (2022 - \$54,065 (US\$39,918)) refundable performance bonds held 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 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.

As of December 31, 2023, the Company has paid all required lease payments up to the year 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 December 31, 2023, the Company has refundable performance bonds of \$19,018 (US\$14,500) (2022 - \$19,018 (US\$14,500) for security of drilling activity and tailings dam requirements for the property. The bonds will be refunded once Endomines posts their own bonds.

(d) 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 (“Leased property”). The agreement was subject to an initial due diligence period including the Company’s election to lease and purchase with a profit share arrangement consideration. The Company was 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, 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.
- 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.

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(d) Miller Mine Gold Project (continued)

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 (see discussion under the terms of the agreement). Olympus also grants TMC the rights and privileges to use the property pursuant to the provisions of the Mining Lease. TMC is also responsible for all costs associated with the operational management, mining processing of ores removed from the Leased property.

At December 31, 2023, the Company has refundable performance bonds of \$555 (US\$420) (2022 - \$Nil) for security of drilling activity requirements for the property.

(e) Golden Jubilee Project

The Golden Jubilee Project consists of 22 unpatented mining claims situated in Granite County, Montana. The property is subject to an underlying lease agreement incorporating a 3% net smelter royalty.

At December 31, 2023, the Company has refundable performance bonds of \$121,735 (US\$92,042) (2022 - \$124,662 (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 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.

As of December 31, 2023, none of the milestone payments have been accomplished yet.

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

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 7)	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 7)	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, 2023					
	Golden Jubilee Project (\$)	Monitor (\$)	St. Lawrence (\$)	Miller Mine (\$)	Total (\$)
Assays and analysis	6,721	1,085	-	10,059	17,865
Consultants (Note 7)	27,348	24,836	2,850	91,066	146,100
Drilling	159	385,861	-	484	386,504
General and administrative field cost	9,395	8,568	1,101	13,765	32,829
Management fees (Note 7)	59,000	70,000	8,000	66,000	203,000
Meals and entertainment	117	241	-	-	358
Professional fees	40,809	18,500	2,750	19,750	81,809
Rent	67	-	-	15,965	16,032
Repairs and maintenance	-	-	-	9,251	9,251
Salaries and wages	3,305	-	-	53,461	56,766
Travel, accommodation, and fuel	543	17,026	-	14,050	31,619
Total	147,464	526,117	14,701	293,851	982,133

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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	(58,465)	(1,027,900)
Change in fair value of shares	-	891,405
Foreign exchange movement	-	(36,093)
Balance, December 31, 2023	169,104	1,481,365

During the year ended December 31, 2023, the Company sold 58,465 (2022 - 76,104) shares for total proceeds of \$448,962 (2022 - \$771,856) and realized a loss of \$576,681 (2022 - \$471,748). At December 31, 2023, the market value of the investment increased and an unrealized gain of \$891,405 (2022 - unrealized loss of \$1,623,262) was recognized in the 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:

	2023	2022
	(\$)	(\$)
Management (a)	220,000	240,000
Consulting and director fees (b)	75,867	76,136
	295,867	316,136

(a) The Company accrued management fees of \$220,000 (2022 - \$240,000) to the CEO of the Company, of which \$203,000 (2022 - \$219,000) is included in property expenditures.

(b) The Company accrued consulting fees of \$40,000 (2022 - \$40,000), of which \$37,000 (2022 - \$7,000) is included in property expenditures, and director fees of \$35,867 (2022 - \$36,136) to directors of the Company.

As of December 31, 2023, \$3,526,299 (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 9). Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

8. ISSUED CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Share capital transactions

No shares were issued during the years ended December 31, 2023 and 2022.

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8. ISSUED CAPITAL (CONTINUED)

(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, 2023 and 2022	14,000,000	0.05

As at December 31, 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	0.48

(d) Warrants

As at December 31, 2023 and 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.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023 (\$)	December 31, 2022 (\$)
Accounts payable	603,530	798,682
Accrued liabilities	247,586	288,333
Sales tax payable	25,270	27,798
Due to related parties (Note 7)	3,526,299	3,483,265
Total	4,402,685	4,598,078

On July 11, 2023, the Company entered into debt settlement agreement to settle an amount owing of \$60,353 for cash consideration of \$4,000 as full settlement of all outstanding debt. The Company recognized \$56,353 gain on debt settlement on its consolidated statement of comprehensive loss during the year. An additional gain of \$30,046 was realized on the write-off of former accounts payable where the vendor ceased to exist.

10. FINANCIAL INSTRUMENTS

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

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10. FINANCIAL INSTRUMENTS (CONTINUED)

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

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, 2023	December 31, 2022
	(\$)	(\$)
Cash	1,757	7,975
Accounts payable	(234,072)	(260,401)
	(232,315)	(252,426)

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10. 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, 2023	December 31, 2022
	(\$)	(\$)
Cash	1,427,226	2,422,555
Accounts payable	(1,497,127)	(1,787,383)
	(69,901)	635,172

Based on the above net exposures, as at December 31, 2023, a 5% change in the Australian dollar to Canadian dollar exchange rate would impact the Company's net loss by \$11,616 and by \$3,495 for a 5% change in the US dollar to Canadian dollar.

Market risk: Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

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.

11. 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:

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11. SEGMENTED INFORMATION (CONTINUED)

	December 31, 2023	December 31, 2022
	(\$)	(\$)
USA	1,930,808	1,850,350

12. INCOME TAXES

	December 31, 2023	December 31, 2022
	(\$)	(\$)
Net loss before tax	(803,752)	(3,679,069)
Statutory tax rate	26.83%	26.46%
Expected income tax recovery	(215,618)	(973,414)
Non-deductible items and other	35,652	184,718
Change in unrecognized deferred tax assets	179,966	814,365
Income tax expense	-	25,669

Income tax expense includes current income tax of \$Nil (2022 - \$492,245) and deferred tax of \$Nil (2022 - recovery of \$466,576). As at December 31, 2023, the Company has current income tax payable of \$1,036,030 (2022 - \$1,149,207).

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

	December 31, 2023	December 31, 2022
	(\$)	(\$)
Non-capital losses – Canada	3,496,322	3,541,494
Non-capital losses – United States	255,483	66,517
Non-capital losses – Australia	1,210,916	1,195,805
Capital losses – Canada	313,344	313,344
Capital losses – Australia	799,964	799,964
Share issuance costs	-	60,471
Equipment and other	6,349	27,392
Exploration and evaluation assets	751,196	648,630
Less: Valuation allowance	(6,833,584)	(6,653,617)
Net deferred income tax liability	-	-

No deferred tax liability has been recognized as at December 31, 2023 (2022 - \$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.

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12. INCOME TAXES (CONTINUED)

The Company has non-capital losses of approximately \$17,955,000 (2022 - \$17,355,000) 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	-	-	21,000
2042	26,000	-	-	26,000
2043	60,000	-	-	60,000
No expiry	-	970,000	4,036,000	5,006,000
	12,949,000	970,000	4,036,000	17,955,000

The net operating losses incurred in the United States do not expire, however, their utilization is limited to 80% of taxable income in any future year. 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. LITIGATION

The Company is involved in litigation and disputes arising in 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, 2023, the Company has accrued for what it believes is a reasonable amount with respect to any litigation claims.