MURCHISON MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Murchison Minerals Ltd.

Opinion

We have audited the consolidated financial statements of Murchison Minerals Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and is not generating positive cash flows from operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

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

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

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Auditor’s responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 27, 2024

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at December 31,

	2023	2022
ASSETS		
Current Assets		
Cash	$ 1,823,972	$ 1,706,952
Amounts receivable and prepaid expenses (Note 6)	393,495	870,515
Total current assets	2,217,467	2,577,467
Property and equipment (Note 7)	134,545	183,777
Total assets	**$ 2,352,012**	**$ 2,761,244**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 13)	$ 91,939	$ 357,895
Loans payable (Note 15)	10,578	51,578
Flow-through share premium liability (Notes 9 and 14)	82,360	-
Total current liabilities	184,877	409,473
Loans payable (Note 15)	13,356	21,685
Total liabilities	**198,233**	**431,158**
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	43,424,724	41,612,477
Reserves (Notes 10 and 11)	2,188,718	2,411,789
Deficit	(43,459,663)	(41,694,180)
Total shareholders' equity	2,153,779	2,330,086
Total liabilities and shareholders' equity	**$ 2,352,012**	**$ 2,761,244**

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Note 14)

Approved on Behalf of the Board:

"signed"
Jean-Charles Potvin
Director

"signed"
Denis Arsenault
Director

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended December 31,

	2023	2022
EXPENSES		
Exploration expenses (Note 8)	$ 1,495,359	$ 5,662,334
Professional fees	58,952	80,804
Management fees and salaries (Note 13)	456,715	534,201
Office and general	94,451	116,202
Regulatory and transfer agent	50,703	88,487
Investor relations	407,283	464,311
Share-based payments (Notes 11 and 13)	177,366	570,874
Loss before other income and expenses	**2,740,829**	**7,517,213**
Interest income	(47,538)	(62,003)
Other income	(6,750)	(33,000)
Flow-through share premium (Notes 9 and 14)	(97,558)	(1,321,035)
Loss on investment	-	841
Loss for the year	**$ 2,588,983**	**$ 6,102,016**
Loss per share - basic and diluted	**$ 0.01**	**$ 0.03**
Weighted average number of common shares outstanding - basic and diluted	228,279,877	192,181,756

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
For the years ended December 31, 2023 and 2022

		Reserves			
	Share Capital	Equity settled share-based payments reserve	Warrants reserve	Deficit	Total
Balance, December 31, 2021	**$ 35,881,469**	**$ 1,162,025**	**$ 714,327**	**$ (35,976,108)**	**$ 1,781,713**
Net loss for the year	-	-	-	(6,102,016)	(6,102,016)
Issuance of common shares (net of issue costs)	5,400,626	-	-	-	5,400,626
Issuance of stock options / share-based compensation	-	570,874	-	-	570,874
Issuance of warrants	-	-	678,889	-	678,889
Exercise of warrants	330,382	-	(330,382)	-	-
Expiry of warrants	-	-	(383,944)	383,944	-
Balance, December 31, 2022	**$ 41,612,477**	**$ 1,732,899**	**$ 678,890**	**$ (41,694,180)**	**$ 2,330,086**
Balance, December 31, 2022	**$ 41,612,477**	**$ 1,732,899**	**$ 678,890**	**$ (41,694,180)**	**$ 2,330,086**
Loss for the year	-	-	-	(2,588,983)	(2,588,983)
Issuance of common shares (net of issue costs)	1,812,247	-	-	-	1,812,247
Issuance of stock options / share-based compensation	-	177,366	-	-	177,366
Issuance of warrants	-	-	423,063	-	423,063
Expiry of warrants	-	-	(678,890)	678,890	-
Expiry of stock options	-	(144,610)	-	144,610	-
Balance, December 31, 2023	**$ 43,424,724**	**$ 1,765,655**	**$ 423,063**	**$ (43,459,663)**	**$ 2,153,779**

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended December 31

	2023	2022
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Loss for the year	$ (2,588,983)	$ (6,102,016)
Share-based payments	177,366	570,874
Flow-through share premium	(97,558)	(1,321,035)
Loss on investment	-	841
Amortization	49,232	47,470
	(2,459,943)	(6,803,866)
Net change in non-cash working capital items:		
Amounts receivable and prepaid expenses	477,020	(551,119)
Accounts payable and accrued liabilities	(265,956)	146,590
Net cash flows used in operating activities	(2,248,879)	(7,208,395)
INVESTING ACTIVITIES		
Acquisition of property and equipment	-	(70,383)
Proceeds from sale of marketable securities	-	1,743
Net cash flows used in investing activities	-	(68,640)
FINANCING ACTIVITIES		
Issuance of units	2,537,008	5,191,429
Exercise of warrants	-	2,284,026
Units issuance costs	(121,780)	(266,841)
Loan repayments	(49,329)	(16,700)
Net cash flows provided by financing activities	2,365,899	7,191,954
NET CHANGE IN CASH	**117,020**	**(85,081)**
CASH, BEGINNING OF THE YEAR	**1,706,952**	**1,792,033**
CASH, END OF THE YEAR	**$ 1,823,972**	**$ 1,706,952**
SUPPLEMENTAL CASH FLOW INFORMATION		
Finders' warrants issued	$ 24,573	$ 31,120
Property and equipment purchase financed through loan	-	50,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Murchison Minerals Ltd. (the "Company" or “Murchison”) was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 5063 North Service Road, Suite 100, Burlington, Ontario, Canada, L7L 5H6.

The consolidated financial statements were approved by the Board of Directors on February 27, 2024.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and, environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at December 31, 2023, the Company has a cumulative deficit of $43,459,663 (December 31, 2022 - $41,694,180), continuing losses and is not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue its operations as a going concern.

These consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within these consolidated financial statements:

Company	Registered	Principal activity
Murchison Minerals Ltd.	Ontario, Canada	Parent company
Flemish Gold Corp.	Ontario, Canada	Exploration company

Exploration and evaluation properties

The acquisition costs of exploration and evaluation properties are expensed in the consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

Government grants and assistance

The Company expects to be entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec and to a refundable duties credit for losses, which are estimated and recorded against the exploration and evaluation expenses to which they relate.

Government grants and assistance are transfers of resources to an entity by government in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government assistance is action by government designed to provide an economic benefit that is specific to an entity or range of entities qualifying under certain criteria.

Government grants and assistance are recognized where there is a reasonable assurance that the grants and assistance will be received, and conditions will be complied with. Government grants and assistance are recognized as an offset to the expenses to which they relate.

Property and equipment

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred. An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment (Continued)

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

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

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	3 years	Straight-line
Computer equipment	5 years	Straight-line
Buildings	20 years	Straight-line

Financial instruments

Financial assets at amortized cost are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured using the effective interest method, less any impairment losses.

A financial asset is classified as fair value through profit and loss (“FVPL”) if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVPL if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company’s documented risk management or investment strategy. Realized and unrealized gains and losses are reflected in the consolidated statement of loss. Transaction costs associated with FVPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities at amortized cost are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

The Company recognizes a loss allowance for expected credit losses on financial assets not reported as FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognizes lifetime ECLs for accounts receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes the loss allowance for that financial instrument at an amount equal to 12-month ECLs. However, when there has been a significant increase in credit risk on these other financial instruments since

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

initial recognition, lifetime ECLs are recognized. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There are no financial instruments subsequently recorded at fair value.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to a periodic impairment assessment. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, on hand and short-term money market investments with original maturities of 90 days or less which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and are available on demand by the Company. When cash and cash equivalents include an amount to be incurred in relation to a flow-through commitment, an amount equal to the minimum commitment is kept in a separate bank account. As at December 31, 2023 and 2022, the Company had no cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions as at December 31, 2023 and 2022.

Share-based payment transactions

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. Unexercised expired and modified stock option values are transferred to deficit.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (Continued)

Deferred tax is for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Equity

Share capital, stock options, warrants and broker units are classified as equity. Incremental costs directly attributable to the issuance of shares, warrants and broker units are recognized as a deduction from equity and allocated between share capital and warrants. Expired stock options and warrants are transferred to deficit.

Flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference ("premium") between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share premium liability which is reversed into the consolidated statement of loss when the eligible expenditures are incurred. The amount recognized as a flow-through share premium liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. The liability is then reduced proportionally as the Company incurs eligible expenditures. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at December 31, 2023 and December 31, 2022 as the disturbance to date is minimal.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, finders' warrants and stock options outstanding that may add to the total number of common shares. Diluted loss per share does not include the effect of stock options, warrants and finders' warrants as they are anti-dilutive. See Notes 10 and 11.

Warrants

Warrants are recognized at fair value on the date of grant and are measured using the Black-Scholes option pricing model. Unexercised expired warrants are transferred to deficit.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

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

- Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the recoverable amount, being the higher of value in use and fair value less costs to sell in the case of non-financial assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

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

- Share-based payments and warrants
Management determines costs for share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards and warrants are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting judgments and estimates (continued)

- Tax credit receivable

The Tax credit receivable for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made. or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

- Contingencies

See Note 14.

New and future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. These were applied by the Company as of their effective date. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company will adopt these pronouncements as of their effective date and is currently assessing the impacts of adoption.

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

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

3. CAPITAL MANAGEMENT

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at December 31, 2023 totalled $2,153,779 (December 31, 2022 - $2,330,086). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2023 and 2022. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the years ended December 31, 2023 and 2022.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had a cash balance of $1,823,972 (December 31, 2022 - $1,706,952) to settle accounts payable, accrued liabilities and loans payable of $115,873 (December 31, 2022 - $431,158). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loans payable as disclosed in Note 15.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

Interest rate risk
The Company has cash balances and no interest-bearing debt other than the loans payable at a fixed interest rate. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal.

(Expressed in Canadian Dollars)

4. FINANCIAL RISK FACTORS (Continued)

Commodity price risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As at December 31, 2023, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience, the Company believes the following movements are "reasonably possible" over a one-year period:

(i) Based on cash balances earning interest at December 31, 2023, a 1% change in interest rates would result in a corresponding interest income change of approximately $18,000 for the one-year period.

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	December 2023	December 2022
Financial assets:		
Amortized cost		
Cash	$ 1,823,972	$ 1,706,952
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 91,939	$ 357,895
Loans payable	23,934	73,263

As of December 31, 2023 and December 31, 2022, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	December 31, 2023	December 31, 2022
Sales tax receivable	$ 87,250	$ 558,810
Tax credits receivable	188,118	260,242
Prepaid expenses and other receivables	118,127	51,463
	$ 393,495	$ 870,515

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

	Computer equipment		Buildings		Exploration equipment		Total
Cost							
Balance, December 31, 2021	-	**$**	48,866	$	107,173	$	156,039
Additions	6,602		50,000		63,781		120,383
Balance, December 31, 2022	6,602	$	98,866	$	170,954	$	276,422
Balance, December 31, 2023	**6,602**	**$**	**98,866**	**$**	**170,954**	**$**	**276,422**
Amortization							
Balance, December 31, 2021	-	**$**	(4,591)	$	(40,584)	$	(45,175)
Additions	(1,210)		(3,065)		(43,195)		(47,470)
Balance, December 31, 2022	**(1,210)**	**$**	**(7,656)**	**$**	**(83,779)**	**$**	**(92,645)**
Additions	(1,320)		(4,940)		(42,972)		(49,232)
Balance, December 31, 2023	**(2,530)**	**$**	**(12,596)**	**$**	**(126,751)**	**$**	**(141,877)**
Net book value, December 31, 2022	5,392	$	91,210	$	87,175	$	183,777
Net book value, December 31, 2023	**4,072**	**$**	**86,270**	**$**	**44,203**	**$**	**134,545**

Exploration equipment with a net book value of $5,781 as at December 31, 2023 (December 2022 - $19,657) is used as security for the loans payable described in Note 15.

8. EXPLORATION AND EVALUATION PROPERTIES

Brabant Lake Property – Saskatchewan
As at December 31, 2023 and 2022, the Company holds a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

HPM Property - Quebec
As at December 31, 2023 and 2022, the Company holds a 100% interest in certain claims forming the HPM property in Quebec.

Barraute-Landrienne Property - Quebec
On April 28, 2021, the Company entered into an agreement with Gestion Aline Leclerc Inc. ("GAL") granting Murchison an option to earn 100% in 75 mineral claims, by making payments totaling $500,000 and property expenditures of $1.0 million over a 6-year period. The first payment of $20,000 was due and paid on April 28, 2022. GAL would retain a royalty of 1% of net smelter returns (NSR) on future production. The 1% NSR could be acquired anytime by the Company for $1.0 million. On February 3, 2023, the Company terminated the GAL agreement.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION PROPERTIES (Continued)

The following table sets out the exploration expenses for the years ended December 31, 2023 and 2022:

HPM		**2023**		**2022**
Drilling	$	129,153	$	3,046,072
Geology and prospecting		445,645		1,407,200
Geophysics		313,490		1,032,296
Metallurgy		-		4,937
Acquisition and staking		73,606		16,232
General administrative and permitting		120,578		101,852
Amortization		29,096		18,466
Tax credits receivable		(108,957)		(267,873)
Total HPM	**$**	**1,002,611**	**$**	**5,359,182**

Brabant Lake		**2023**		**2022**
Amortization	$	18,816	$	27,794
Drilling		-		60,870
General administrative		4,000		3,500
Geology		270,080		112,546
Geophysics		170,686		107,979
Government assistance – Drilling incentive		-		(50,000)
Acquisition and staking		8,242		7,150
Total Brabant Lake	**$**	**471,824**	**$**	**269,839**

Barraute-Landrienne		**2023**		**2022**
Geology	$	3,737	$	3,510
Geophysics		-		8,728
Option payment		-		20,000
Acquisition and staking		18,387		1,075
Tax credits receivable		(1,200)		-
Total Barraute-Landrienne	**$**	**20,924**	**$**	**33,313**
Total Exploration Expenses	**$**	**1,495,359**	**$**	**5,662,334**

Government Assistance and Tax Credits

The Company is entitled to a credit on duties refundable for losses under the Quebec Mining Duties Act. This credit on duties refundable for losses on mineral exploration expenses incurred in the Province of Quebec at the rate of 8% has been applied against the costs incurred. These amounts have been recorded as a reduction of the HPM exploration expenditures.

Also, the Company is entitled to the refundable tax credit for resources for mineral companies on qualified expenditures incurred in the Province of Quebec. The refundable tax credit for resources may reach 35% or 38.75% of qualified expenditures incurred. This tax credit has been applied against the costs incurred. These amounts have also been recorded as a reduction of the HPM exploration expenditures. The Company has recorded $110,157 in expected tax credits against exploration activity for the year ended December 31, 2023 (December 31, 2022 - $267,873). As at December 31, 2023, the Company is carrying a tax credit receivable balance of $188,118 (December 31, 2022 - $260,242). During the year ended December 31, 2023, the Company received $182,282 in tax credits applied against the receivable (December 31, 2022 - $nil).

The Saskatchewan Targeted Mineral Exploration Incentive (“TMEI”) supports the diversification of Saskatchewan's mineral sector by encouraging exploration for base metals, precious metals, and diamonds as well as other components such as airborne geophysical data and complementary ground-based geoscience investigations.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION PROPERTIES (Continued)

The TMEI provides up to $150,000 financial assistance in the form of a grant to eligible exploration companies that undertake exploration drilling for base metals, precious metals, or diamonds. For the year ended December 31, 2023, the Company received $nil (2022 - $50,000) under the TMEI assistance program.

9. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number		Amount
Balance - December 31, 2021	**153,609,785**	**$**	**35,881,469**
Exercise of warrants-net of issue costs (i)	17,682,550		2,465,961
Private placement (ii)	46,919,622		5,353,589
Issue costs – private placement (ii)	-		(249,753)
Flow-Through Premium (ii)	-		(1,129,139)
Warrants issued (i)(ii)	-		(709,650)
Balance – December 31, 2022	**218,211,957**	**$**	**41,612,477**

	Number		Amount
Balance - December 31, 2022	**218,211,957**	**$**	**41,612,477**
Private placement (iii) (iv)	42,561,065		2,537,008
Issue costs – private placement (iii)(iv)	-		(121,780)
Flow-Through Premium (iii)(iv)	-		(179,918)
Warrants issued (iii)(iv)	-		(423,063)
Balance – December 31, 2023	**260,773,022**	**$**	**43,424,724**

(i) Between January 10 and February 10, 2022, 7,025,000 warrants exercisable at $0.12 and expiring on January 23 and February 13, 2022 were exercised for gross proceeds of $843,000.

Between March 23 and April 15, 2022, following the implementation of a warrant exercise incentive program, 10,657,550 warrants at a price of $0.12 were exercised for gross proceeds of $1,278,906. As part of the incentive program, the Company issued 5,328,775 incentive warrants exercisable at $0.18 until April 15, 2023.

The fair value of the incentive warrants was estimated at $85,260 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 82%, risk-free interest rate of 2.27%, expected life of 1 year and share price of $0.10 and reflected as a cost of issue.

(ii) On June 30, 2022, the Company completed a non-brokered private placement and issued 10,166,666 units at a price of $0.09 per unit, 20,195,002 Quebec flow-through units at a price of $0.105 and 16,557,954 charity flow-through units at a price of $0.14 for aggregate gross proceeds of $5,353,589. An amount of $1,129,139 was allocated to flow-through share premium.

9. SHARE CAPITAL (Continued)

Each unit, Quebec flow-through unit and charity flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.18 for a period of 18 months expiring December 30, 2023. In the event that, the 20-day volume weighted average price of the common shares on the TSX Venture Exchange is greater than $0.225 ($0.24 for the unit), the Company may give notice to the holders of the warrants that the expiry time of the warrants has been accelerated and the warrants will expire on the 30th business day following the date of such notice to subscribe for and purchase the number common shares of the Company set forth above on the basis of one common share at a price of $0.18 for each warrant exercised.

The fair value of the warrants was estimated at $593,270 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 115%, risk-free interest rate of 3.10%, expected life of 1.5 year and share price of $0.08. Issue costs of $30,760 were allocated to the warrants.

Finder's fees totaling $149,150 were paid under the private placement and 1,230,471 finders' warrants valued at $31,120 with the same terms as described above. Two directors of the Company acquired 7,944,444 units and 142,857 flow-through units respectively for aggregate gross proceeds of $730,000.

(iii) On July 26, 2023, the Company completed a non-brokered private placement and issued 9,000,000 units at a price of $0.06 per unit, 11,500,715 Quebec flow-through units at a price of $0.07 and 2,383,850 national flow-through units at a price of $0.065 for aggregate gross proceeds of $1,500,000. A director of the Company acquired 7,000,000 units for gross proceeds of $420,000. An amount of $126,280 was allocated to flow-through share premium.

Each unit, Quebec flow-through unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.10 for a period of 24 months expiring July 26, 2025.

The fair value of the warrants was estimated at $236,690 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 108%, risk-free interest rate of 4.65%, expected life of 2.0 years and share price of $0.05. Issue costs of $12,160 were allocated to the warrants.

Finder's fees totaling $57,005 were paid under the private placement and 636,994 finders' warrants valued at $13,173 with the same terms as described above were issued.

(iv) On December 28, 2023, the Company completed a non-brokered private placement and issued 9,040,000 units at a price of $0.05 per unit and 10,636,500 national flow-through units at a price of $0.055 for aggregate gross proceeds of $1,037,008. A director of the Company acquired 8,500,000 units for gross proceeds of $425,000. An amount of $53,638 was allocated to flow-through share premium.

Each unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.08 for a period of 24 months expiring December 28, 2025.

The fair value of the warrants was estimated at $185,770 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 117%, risk-free interest rate of 3.92%, expected life of 2.0 years and share price of $0.04. Issue costs of $9,660 were allocated to the warrants.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

Finder's fees totaling $41,250 were paid under the private placement and 518,190 finders' warrants valued at $11,400 were issued. Each whole warrant is exercisable to acquire one additional common share at a price of $0.055 for a period of 24 months expiring December 28, 2025. Issue costs of $2,150 were allocated to the finders' warrants.

10. WARRANTS AND FINDERS' WARRANTS

The following summarizes the warrants and finders' warrants activity for the years ended December 31, 2023 and 2022:

	Number of Warrants	Grant Date Fair Value	Weighted Average Exercise Price
Balance - December 31, 2021	**38,307,385**	**$ 714,327**	**$ 0.12**
Exercised	(17,682,550)	(330,382)	0.12
Expired	(20,624,835)	(383,944)	0.12
Issued	30,019,054	678,890	0.18
Balance – December 31, 2022	**30,019,054**	**$ 678,890**	**0.18**
Balance - December 31, 2022	**30,019,054**	**$ 678,890**	**$ 0.18**
Issued	22,435,717	423,063	0.09
Expired	(30,019,054)	(678,890)	0.18
Balance – December 31, 2023	**22,435,717**	**$ 423,063**	**$ 0.09**

As at December 31, 2023, the Company had warrants and finders' warrants outstanding as follows:

Date of Issue	Number of Warrants	Exercise Price ($)	Fair Value ($)	Expiry Date	Remaining Contractual Life (years)
July 26, 2023	12,079,277	0.10	237,703	July 26, 2025	1.57
December 28, 2023	518,190	0.055	9,250	December 28, 2025	2.00
December 28, 2023	9,838,250	0.08	176,110	December 28, 2025	2.00
	22,435,717		**423,063**		**1.77**

11. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

(Expressed in Canadian Dollars)

11. STOCK OPTIONS (Continued)

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

	Number of Stock Options	Weighted Average Exercise Price	
Balance - December 31, 2021	**14,280,000**	**$**	**0.11**
Granted [(i)(ii)(iii)]	7,215,000		0.10
Balance – December 31, 2022	**21,495,000**	**$**	**0.10**
Balance - December 31, 2022	**21,495,000**	**$**	**0.10**
Expired	(1,110,000)		0.16
Granted [(iv)]	4,725,000		0.05
Balance – December 31, 2023	**25,110,000**	**$**	**0.09**

[(i)] On January 24, 2022, the Company granted 200,000 stock options exercisable at $0.135 for 5 years to a consultant of the Company. The grant date fair value of these options of $19,600 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.135, risk free interest rate – 1.63%, expected volatility – 96%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vesting provisions were 1/3 immediately, 1/3 in 9 months and 1/3 in 18 months and $17,059 fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2022 and the balance of $2,541 for the year ended December 31, 2023.

[(ii)] On July 29, 2022, the Company granted 4,700,000 stock options exercisable at $0.09 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of $314,900 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.09, risk free interest rate – 2.66%, expected volatility – 99%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2022.

[(iii)] On December 15, 2022, the Company granted 2,315,000 stock options exercisable at $0.12 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of $210,665 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.12, risk free interest rate – 2.90%, expected volatility – 101%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2022.

[(iv)] On December 29, 2023, the Company granted 4,725,000 stock options exercisable at $0.05 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of $174,825 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.05, risk free interest rate – 3.17%, expected volatility – 120%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2023.

(Expressed in Canadian Dollars)

11. STOCK OPTIONS (Continued)

As at December 31, 2023, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Outstanding[1]	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date	Weighted Average Remaining Contractual Life (years)
March 6, 2019	645,000	0.095	59,340	March 6, 2024	0.18
December 23, 2019	3,300,000	0.085	244,200	December 23, 2024	0.98
December 31, 2020	3,700,000	0.095	284,900	December 31, 2025	2.00
April 14, 2021	200,000	0.095	9,800	April 14, 2026	2.29
May 25, 2021	500,000	0.095	26,000	May 25, 2026	2.40
July 2, 2021	200,000	0.095	10,800	July 2, 2026	2.50
October 11, 2021	1,000,000	0.08	59,000	October 11, 2026	2.78
December 20, 2021	3,625,000	0.13	351,625	December 20, 2026	2.97
January 24, 2022[1]	200,000	0.135	19,600	January 24, 2027	3.07
July 29, 2022	4,700,000	0.09	314,900	July 29, 2027	3.58
December 15, 2022	2,315,000	0.12	210,665	December 15, 2027	3.96
December 29, 2023	4,725,000	0.05	175,825	December 29, 2028	5.00
	25,110,000	**0.09**	**1,765,655**		**3.05**

[1] *All options are exercisable.*

12. INCOME TAXES

(a) Provision for income taxes

Major items causing the Company’s income tax to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2020 – 26.5%) were as follows:

	2023 $	2022 $
Combined Canadian statutory income tax rate	26.5%	26.5%
Loss before income taxes	(2,588,984)	(6,102,016)
Expected income tax recovery based on the statutory rate	(686,000)	(1,617,000)
Adjustment to expected income tax benefit:		
Permanent differences and other	15,000	151,000
Deferred tax assets not recognized	671,000	1,466,000
Deferred income tax provision (recovery)	-	-

(Expressed in Canadian Dollars)

12. INCOME TAXES (Continued)

(b) Deferred income tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2023 $	2022 $
Capital losses	20,209,000	20,209,000
Non-capital losses	21,302,000	19,917,000
Resource properties	6,488,000	5,575,000
Share issue costs	440,000	513,000
Other	160,000	110,000
Total	48,599,000	46,324,000

(c) As at December 31, 2023, the Company had approximately $6,488,000 (2022 - $5,575,000) of Canadian development and exploration expenses and foreign exploration and development expenses, which, under certain circumstances, may be utilized to reduce taxable income of future years.

(d) Tax loss carry-forwards
As at December 31, 2023, the Company had approximately $21,302,000 of non-capital losses in Canada, which may be used to reduce taxable income in future years. These losses expire from 2025 to 2043.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

13. RELATED PARTY TRANSACTIONS

a) Remuneration of directors and officers was as follows:

	2023	2022
Salaries and benefits	$ 575,000	$ 544,723
Share-based payments	137,825	355,305
	$ 712,825	**$ 900,028**

For the year ended December 31, 2023, the salaries and benefits above include $187,500 (2022 - $275,000) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO and also include $140,600 (2022 - $183,323) for fees invoiced by a corporation controlled by the CFO of the Company for his services as CFO. Included in accounts payable and accrued liabilities at December 31, 2023 is $10,500 (2022 - $nil) owed to the CFO and $nil (2022 - $13,325) owed to the CEO. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

13. RELATED PARTY TRANSACTIONS (Continued)

b) Private Placements
As part of the private placement completed on December 28, 2023, a director of the Company acquired 8,500,000 common share units for gross proceeds of $425,000.

As part of the private placement completed on July 26, 2023, a director of the Company acquired 7,000,000 common share units for gross proceeds of $420,000.

As part of the private placement completed on June 30, 2022, a director of the Company acquired 7,944,444 common share units for gross proceeds of $715,000 and another director acquired 142,857 flow-through units for gross proceeds of $15,000.

c*) Warrant Incentive Program*
In January 2022, two directors exercised 4,187,500 warrants at a price of $0.12 for aggregate gross proceeds of $502,500. Also, as part of the warrant exercise incentive program implemented on March 17, 2022, officers and directors of the Company exercised 9,436,550 warrants at a price of $0.12 for gross proceeds of $1,132,386. As part of this incentive program, the Company issued 4,718,275 warrants to the officers and directors exercisable at $0.18 until April 15, 2023. The fair value of these incentive warrants was $75,492.

14. COMMITMENTS AND CONTINGENCIES

Management Contracts
The Company entered into consulting and employment agreements for the services of its key executives. Under the agreements, additional payments totalling $1,381,300 are be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is $380,650, in aggregate. The minimum commitment due within one year under the terms of the agreements is $690,600, in aggregate.

Flow-Through Indemnification
As at December 31, 2023, the Company has to incur $776,069 in qualifying exploration expenditures by December 31, 2024 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

(Expressed in Canadian Dollars)

14. COMMITMENTS AND CONTINGENCIES

Flow-Through Indemnification (Continued)

	Flow-through funding and expenditure requirements	Flow-through share premium liability
	$	$
Balance, December 31, 2021	1,215,325	191,896
Flow-through funds raised and premium recorded as a liability	4,438,589	1,129,139
Flow-through expenditures incurred and reduction of liability	(5,653,914)	(1,321,035)
Balance, December 31, 2022	-	-
Flow-through funds raised and premium recorded as a liability	1,545,008	179,918
Flow-through expenditures incurred and reduction of liability	(768,939)	(97,558)
Balance, December 31, 2023	**776,069**	**82,360**

Environmental

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

15. LOANS PAYABLE

In June 2021, the Company financed the purchase of an exploration vehicle in the amount of $43,586. The loan bears an interest rate of 7.89% and is repayable over 60 monthly payments of $881 and is secured by the vehicle. The balance payable at December 31, 2023 was $23,934 of which $10,578 is due within the next 12 months.

On October 1, 2022, the Company entered into an agreement to purchase an accommodation building in Saskatchewan for $50,000. Under the agreement, the Company paid $3,000 per month from October 2022 to September 2023 and a lump sum of $14,000 was due on October 1, 2023. The final lump sum payment was paid on November 2, 2023 upon title transfer of the building.

Undiscounted payments over successive years are as follows:

		Vehicle
2024	$	10,578
2025-2026		15,867
Total contractual cash flows	$	26,445
Less: interest		(2,511)
Obligation at December 31, 2023	**$**	**23,934**

16. RECLASSIFICATION OF THE PRIOR YEAR'S DATA FOR PRESENTATION

Certain of the 2022 comparative amounts have been reclassified to conform to the 2023 form of presentation. The change in presentation was made to provide more relevant information to the users of the financial statements and better conform to the IAS 1 presenting expenses based on their function. Some of the prior year expenses have been reclassified to adopt to the current year presentation.

End of Notes to Financial Statements