VAL-D'OR MINING CORPORATION

Financial Statements

For the year ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

McGovern
Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Val-d'Or Mining Corporation

Opinion

We have audited the financial statements of Val-d'Or Mining Corporation (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statement of net (loss) income and comprehensive (loss) income, statements of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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. 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.

Emphasis of matter

We draw attention to Note 4 in the financial statements, which explains that certain comparative information for the year ended December 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

Other matter

The financial statements of the Company for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2023.

We have audited the restatement to the financial statements as at December 31, 2022 and January 1, 2022, as described in Note 4 to the financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements of the Company as at December 31, 2022 and January 1, 2022 and for the year ended December 31, 2022 other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
mcgovernhurley.com
t. 416-496-1234

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Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that as at December 31, 2023, the Company has an accumulated deficit and has not generated significant income or cash flows from its operations. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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. In addition to the matter described in Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	**How our audit addressed the key audit matter**
Fair value measurement of private investments	
The Company has private investment with a value of $3,000,000 at December 31, 2023, which is recorded at fair value through profit or loss. The private investment was considered a level 3 financial instrument for which quotes prices or observable inputs are not available. Management uses valuation techniques that require significant non-observable inputs to determine the fair value, requiring management's estimation and judgments. The fair value measurement of private investments was a key audit matter because the valuation required the application of significant judgement in assessing the non-observable inputs used.	Our audit procedures included, but were not limited to: - Evaluating the methodology and significant inputs used by management. - Performing a valuation approach to assess the modelling assumptions and significant inputs used to estimate the fair value, which involved corroboration of certain inputs and assumptions applied by management. Specifically, the most recent financing price was validated to support the share price used in the fair value estimate. - Assessment of adequacy and completeness of relevant financial statement disclosures.

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Other information

Management is responsible for the other information. The other information comprises 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 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 IFRS, 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 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 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 judgement 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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 Regina Kwong.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 24, 2024

VAL-D'OR MINING CORPORATION

Statements of Financial Position

(Expressed in Canadian Dollars)

	Notes		As at December 31, 2023		As at December 31, 2022		As at January 1, 2022
					(Note 4 (c))		(Note 4 (c))
ASSETS							
Current assets							
Cash and cash equivalents	6	**$**	**183,100**	$	1,206,672	$	809,203
Short-term investments	7		**35,085**		649,065		649,065
Accounts receivable	8		**488,526**		273,768		26,950
Other assets	9		**191,218**		433,435		242,081
			897,929		2,562,940		1,727,299
Non-current assets							
Long-term investments	7		**3,000,000**		2,700,000		1,200,000
Property and equipment	12		**768,313**		-		-
Right-of-use assets			**-**		-		974
TOTAL ASSETS		**$**	**4,666,242**	$	5,262,940	$	2,928,273
LIABILITIES							
Current liabilities							
Accounts payable and accrued liabilities		**$**	**348,867**	**$**	27,444	**$**	105,351
Due to related parties	20, 26		**13,670**		111,899		8,847
Flow-through premium liability			**-**		-		92,127
Loan	13		**-**		60,000		-
Lease liabilities			**-**		-		708
			362,537		199,343		207,033
Non-current liabilities							
Loan	13		**-**		-		60,000
Total liabilities			**362,537**		199,343		267,033
EQUITY							
Share capital	14		**9,060,943**		8,626,553		7,050,910
Contributed surplus	16		**921,186**		1,034,826		903,424
Warrants	15		**1,046,183**		1,046,183		981,236
Deficit			**(6,724,607)**		(5,643,965)		(6,274,330)
Total equity			**4,303,705**		5,063,597		2,661,240
TOTAL LIABILITIES AND EQUITY		**$**	**4,666,242**	$	5,262,940	$	2,928,273

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"
(signed Glenn J. Mullan)
Director

"Louis Doyle"
(signed Louis Doyle)
Director

The accompanying notes are an integral part of the financial statements.

VAL-D'OR MINING CORPORATION

Statements of Net (Loss) Income and Comprehensive (Loss) Income

(Expressed in Canadian Dollars)

	Notes		For the year ended December 31, 2023		2022
					(Note 4 (c))
Revenues					
Service fees		**$**	**171,821**	$	58,502
Mining option revenue			**130,000**		30,000
Rental income			**56,000**		79,256
			357,821		167,758
Operating expenses					
General and administrative expenses	17	**$**	**704,838**	$	426,658
Exploration and evaluation expenses	10		**443,709**		401,262
Share-based compensation	16		**-**		131,402
Amortization of right of use assets			**-**		973
			1,148,547		960,295
Other expenses (income)					
Change in fair value of investment in public company	7		**613,980**		-
Change in fair value of investment in private company	7		**(300,000)**		(1,500,000)
Loan forgiveness	13		**(20,000)**		-
Provision for credit losses			**-**		168,000
Other income from flow-through funding			**-**		(92,127)
Finance income			**(7,145)**		(2,445)
Finance expense			**3,081**		3,670
			289,916		(1,422,902)
Net (loss) income and total comprehensive (loss) income for the year		**$**	**(1,080,642)**	$	630,365
Basic (loss) earnings per common share	18	**$**	**(0.013)**	$	0.008
Diluted (loss) earnings per common share	18		**(0.013)**		0.008
Weighted average number of common shares outstanding - basic	18		**83,000,634**		78,681,074
Weighted average number of common shares outstanding - diluted	18		**83,000,634**		79,033,970

The accompanying notes are an integral part of the financial statements.

VAL-D'OR MINING CORPORATION

Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Notes	Share capital		Contributed Surplus	Warrants	Deficit	Total
		Number				(Note 4 (c))	
Balance as at January 1, 2022		**69,893,508**	**$ 7,050,910**	**$ 903,424**	**$ 981,236**	**$ (6,274,330)**	**$ 2,661,240**
Issuance of units under a private placement	14	8,727,954	1,135,161	-	261,312	-	1,396,473
Share issuance costs		-	(32,283)	-	-	-	(32,283)
Issuance of shares on exercise of share purchase warrants	14	2,763,997	472,765	-	(196,365)	-	276,400
Share-based payments				131,402			131,402
Net income and comprehensive income for the year		-	-	-	-	630,365	630,365
Balance as at December 31, 2022		**81,385,459**	**$ 8,626,553**	**$ 1,034,826**	**$ 1,046,183**	**$ (5,643,965)**	**$ 5,063,597**
Issuance of shares on exercise of incentive stock options	14	1,150,000	234,390	(113,640)	-	-	120,750
Issuance of shares on NSR purchase agreement	14	2,222,222	200,000	-	-	-	200,000
Net loss and comprehensive loss for the year		-	-	-	-	(1,080,642)	(1,080,642)
Balance as at December 31, 2023		**84,757,681**	**$ 9,060,943**	**$ 921,186**	**$ 1,046,183**	**$ (6,724,607)**	**$ 4,303,705**

The accompanying notes are an integral part of the financial statements.

VAL-D'OR MINING CORPORATION

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Notes		For the year ended December 31, 2023		2022
					(Note 4 (c))
OPERATING ACTIVITIES					
Net (loss) income for the year		**$**	**(1,080,642)**	$	630,365
Adjustments:					
Change in fair value of investment in public company	7		**613,980**		-
Change in fair value of investment in private company	7		**(300,000)**		(1,500,000)
Non-cash exploration and evaluation expenses	10		**200,000**		1,932
Loan forgiveness	13		**(20,000)**		-
Provision for credit losses	13		**-**		168,000
Gain on sale of mineral claims	13		**-**		(97,994)
Realized gain on investments on sale of claims	13		**-**		(71,937)
Amortization of rights-of-use asset			**-**		973
Other income from flow-through funding			**-**		(92,127)
Finance costs			**-**		(708)
Share-based compensation	16		**-**		131,402
			(586,662)		(830,094)
Change in non-cash working capital items					
Accounts receivable			**(214,758)**		(246,818)
Other assets			**242,217**		(191,354)
Accounts payable and accrued liabilities			**256,301**		25,145
Due to related parties			**(98,229)**		-
			185,531		(413,027)
Cash flows used by operating activities			**(401,131)**		(1,243,121)
INVESTING ACTIVITIES					
Acquisition of property and equipment	12, 25		**(703,191)**		-
Cash flows used by investing activities			**(703,191)**		-
FINANCING ACTIVITIES					
Proceeds from exercise of stock options	14		**120,750**		-
Repayment of loan	13		**(40,000)**		-
Proceeds from issuance of units under a private placement	14		**-**		1,396,473
Proceeds from exercise of warrants	15		**-**		276,400
Share issue expenses	14		**-**		(32,283)
Cash flows from financing activities			**80,750**		1,640,590
(Decrease) increase in cash and cash equivalents			**(1,023,572)**		397,469
Cash and cash equivalents, beginning of year			**1,206,672**		809,203
Cash and cash equivalents, end of year		**$**	**183,100**	$	1,206,672

See note 25 for additional cash flow information

The accompanying notes are an integral part of the financial statements.

1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Val-d'Or Mining Corporation (the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2772 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's shares trades on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

As at December 31, 2023, Gold Royalty Corp. ("GROY" or Gold Royalty") is the Company's largest shareholder, holding indirectly through its subsidiary Golden Valley Abitibi Royalties Ltd. ("Abitibi") 34.17% (December 31, 2022 – 35.59%) of the issued and outstanding shares. Golden Valley Mines and Royalties Ltd. ("Golden Valley") amalgamated with Abitibi Royalties Inc. (another subsidiary of Gold Royalty) as one company under the name Golden Valley Abitibi Royalties Ltd ("Abitibi") on February 7, 2023.

The Board of Directors approved the audited financial statements for issue on April 24, 2024.

2) GOING CONCERN

These financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has accumulated deficit and has not yet generated significant income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

3) NEW AND FUTURE ACCOUNTING POLICIES

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations relevant to the Company's financial statements is provided below and are being evaluated to determined their impact on the financial statements. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company’s financial statements. A number of amendments to standards were effective for annual periods beginning on or after January 1, 2023, including amendments to IAS 8 Accounting policies, Changes in accounting estimates and errors. There was no material impact on the Company's financial statements from the adoption of these amendments.

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

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

4) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and have been consistently applied to all periods presented unless otherwise noted.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Corporation’s accounting policies. See note 5 “Judgments, Estimates and Assumptions”.

b) Basis of preparation and evaluation of financial statements

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss and fair value through other comprehensive income, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Change in Accounting Policy and Restatement

Change in accounting policy

In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily elected to change its accounting policy with respect to exploration properties and deferred exploration expenditures, as well on acquired royalty interests consistent with the guidance provided in IFRS 6 – Exploration for and Evaluation of Mineral Resources and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy was adopted on December 31, 2023 and applied retroactively to the financial statements for the year ended December 31, 2022 and the statement of financial position as at December 31, 2022 and January 1, 2022.

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource is demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in the statements of net (loss) income and comprehensive (loss) income when they are incurred. In the prior years, once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement), expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, were deferred and recognized as exploration and evaluation assets, until such time as the properties were put into commercial production, sold or become impaired.

The new accounting policy is as follows:

The Company's exploration and evaluation expenditures include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. Exploration and evaluation costs are expensed as incurred and included in the statement of loss (income) until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mine development assets and included as a component of property, plant and equipment. Capitalization ceases when the mine is capable of commercial production.

Change in private investments

During the year ended December 31, 2023, the Company changed the method used to estimate the fair value of its private company investments. Under the updated approach, the Company has estimated the fair value of its private company investments based on the share price of the most recent financing completed by the private company. Previously, the Company used a weight average approach based on prior financings to estimate the fair value of its private company investments.

(Expressed in Canadian dollars unless otherwise noted)

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Change in Accounting Policy and Restatement (continued)

The following tables reflect the retroactive changes made to the financial statements as at and for the year ended December 31, 2022 and as at January 1, 2022 giving effect to this Policy change:

Statement of Financial Position

	As at December 31, 2022		
	As previously reported	**Adjustment**	**As restated**
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,206,672	$ -	$ 1,206,672
Short-term investments	649,065	-	649,065
Accounts receivable	273,768	-	273,768
Other assets	160,706	272,729	433,435
	2,290,211	272,729	2,562,940
Non-current assets			
Long-term investments	1,305,023	1,394,977	2,700,000
Exploration and evaluation assets	873,130	(873,130)	-
TOTAL ASSETS	$ 4,468,364	$ 794,576	$ 5,262,940
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 27,444	$ -	$ 27,444
Due to related parties	111,899	-	111,899
Loan	60,000	-	60,000
Total liabilities	199,343	-	199,343
EQUITY			
Share capital	8,626,553	-	8,626,553
Contributed surplus	1,034,826	-	1,034,826
Warrants	1,046,183	-	1,046,183
Deficit	(6,438,541)	794,576	(5,643,965)
Total equity	4,269,021	794,576	5,063,597
TOTAL LIABILITIES AND EQUITY	$ 4,468,364	$ 794,576	$ 5,262,940

(Expressed in Canadian dollars unless otherwise noted)

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Change in Accounting Policy and Restatement (continued)

Statement of Financial Position

	As at January 1, 2022		
	As previously reported	Adjustment	As Restated
ASSETS			
Current assets			
Cash and cash equivalents	$ 809,203	$ -	$ 809,203
Short-term investments	649,065	-	649,065
Accounts receivable	26,950	-	26,950
Other assets	95,118	146,963	242,081
	1,580,336	146,963	1,727,299
Non-current assets			
Long-term investments	1,200,000	-	1,200,000
Exploration and evaluation assets	519,773	(519,773)	-
Right-of-use assets	974	-	974
TOTAL ASSETS	$ 3,301,083	$ (372,810)	$ 2,928,273
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 114,198	$ (8,847)	$ 105,351
Due to related parties	-	8,847	8,847
Flow-through premium liability	92,127	-	92,127
Lease liabilities	708	-	708
	207,033	-	207,033
Non-current liabilities			
Loan	60,000	-	60,000
Total liabilities	267,033	-	267,033
EQUITY			
Share capital	7,050,910	-	7,050,910
Contributed surplus	903,424	-	903,424
Warrants	981,236	-	981,236
Deficit	(5,901,520)	(372,810)	(6,274,330)
Total equity	3,034,050	(372,810)	2,661,240

(Expressed in Canadian dollars unless otherwise noted)

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Change in Accounting Policy and Restatement (continued)

Statement of Net income (loss) and Comprehensive income (loss)

	For the year ended December 31, 2022			
	As previously reported	Adjustment	Reclassification	As Restated
Revenues				
Service fees	$ 58,502	$ -	$ -	$ 58,502
Rental income	79,256	-	-	79,256
Mining option revenue	30,000	-	-	30,000
	167,758	-	-	167,758
Operating expenses				
General and administrative expenses	$ 235,411	$ -	$ 191,247	$ 426,658
Exploration and evaluation expenses	341,670	59,592	-	401,262
Professional fees	152,792	-	(152,792)	-
Regulatory and transfer agent fees	38,455	-	(38,455)	-
Impairment of exploration and evaluation assets	19,972	(19,972)	-	-
Impairment of royalty interests	1,932	(1,932)	-	-
Share-based compensation	131,402	-	-	131,402
Amortization of right of use assets	973	-	-	973
	922,607	37,688	-	960,295
Other expenses (income)				
Change in fair value of investment in private company	(105,023)	(1,394,977)	-	(1,500,000)
Provision for credit losses	168,000	-	-	168,000
Gain on sale of mineral claims	(117,966)	117,966	-	-
Realized gain on investments on sale of claims	(71,937)	71,937	-	-
Other income from flow-through funding	(92,127)	-	-	(92,127)
Finance income	(2,445)	-	-	(2,445)
Finance expense	3,670	-	-	3,670
	(217,828)	(1,205,074)	-	(1,422,902)
Net income and total comprehensive income for the year	$ (537,021)	$ 1,167,386	$ -	$ 630,365
Basic earnings per common share	$ (0.007)			$ 0.008
Diluted earnings per common share	(0.007)			0.008
Weighted average number of common shares - basic	78,681,074			78,681,074
Weighted average number of common shares - diluted	78,681,074			79,033,970

(Expressed in Canadian dollars unless otherwise noted)

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Change in Accounting Policy and Restatement (continued)

Statement of Cash Flow

	For the year ended December 31, 2022		
	As previously reported	Adjustment	As Restated
OPERATING ACTIVITIES			
Net income for the year	$ (537,021)	$ 1,167,386	$ 630,365
Adjustments:			
Impairment of exploration and evaluation assets	19,972	(19,972)	-
Impairment of royalty interests	1,932	-	1,932
Provision for credit losses	168,000	-	168,000
Gain on sale of mineral claims	(117,966)	19,972	(97,994)
Realized gain on investments	(71,937)	-	(71,937)
Change in fair value of investments in private company	(105,023)	(1,394,977)	(1,500,000)
Amortization of rights-of-use asset	973	-	973
Other income from flow-through funding	(92,127)	-	(92,127)
Finance costs	(708)	-	(708)
Share-based compensation	131,402	-	131,402
	(602,503)	(227,591)	(830,094)
Change in non-cash working capital items			
Accounts receivable	(246,818)	-	(246,818)
Other assets	(65,588)	(125,766)	(191,354)
Accounts payable and accrued liabilities	25,145	-	25,145
Due to related parties	-	-	-
	(287,261)	(125,766)	(413,027)
Cash flows used by operating activities	(889,764)	(353,357)	(1,243,121)
INVESTING ACTIVITIES			
Acquisition to exploration and evaluation assets	(353,357)	353,357	-
Cash flows used by investing activities	(353,357)	353,357	-
FINANCING ACTIVITIES			
Proceeds from issuance of units under a private placement	1,396,473	-	1,396,473
Proceeds from exercise of warrants	276,400	-	276,400
Share issue expenses	(32,283)	-	(32,283)
Cash flows from financing activities	1,640,590	-	1,640,590
Increase in cash and cash equivalents	397,469	-	397,469
Cash and cash equivalents, beginning of year	809,203	-	809,203
Cash and cash equivalents, end of year	$ 1,206,672	$ -	$ 1,206,672

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Change in Accounting Policy and Restatement (continued)

Comparative figures

Certain of the comparative figures have been restated to conform with current year's presentation:

- Professional fees and Regulatory and transfer agent fees in the statement of net income (loss) and comprehensive income (loss) for the year ended December 31, 2022 have been reclassified to Corporate expenses detailed in note 17.

- As at December 31, 2022, an amount of $111,899 has been reclassified from Accounts payable and accrued liabilities to Due to related parties (note 20).

d) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

e) Foreign currency transactions

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date, whereas nonmonetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Expenses are translated at the exchange rate in effect at the transaction date. Expenses settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of net (loss) income and comprehensive (loss) income.

f) Segment disclosure

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e., the President and the Board of Directors. The Company has determined that it has only one operating segment, the sector of exploration and evaluation of mineral resources. All its exploration and evaluation assets are located in Canada.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and demand deposit, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of exploration and evaluation costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

i) Government grants and assistance

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.

j) Royalty interest

Royalty interest consists of acquired net smelter returns on exploration and evaluation stage properties, which are expensed in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources" ("IFRS 6").

k) Classification of investments as subsidiaries, joint ventures, associated company and portfolio investments

Classification of investments requires judgement as to whether the Company controls, has joint control of or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Property and equipment

Land, building, equipment and other are recorded at cost, less accumulated depreciation and accumulated impairment losses. The cost is comprised of the asset's purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings and equipment. Each part of an item of building and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately if its useful life differs. The following useful lives are applied:

- Buildings: 25 years
- Equipment: 3 years
- Land: not depreciated

The Company reviews the useful life, depreciation method, residual value and carrying value of its building and equipment at least annually. Where the carrying value is estimated to exceed the estimated recoverable amount, which is the higher of the asset's fair value less costs of disposal or value in use, a provision for impairment is measured and recorded. Expenditures that extend the useful lives of existing facilities or equipment are capitalized and depreciated over the remaining useful lives of the assets or useful life of the component (e.g. major overhaul) of an asset. Repairs and maintenance expenditures are expensed as incurred.

m) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable arising from rendering of services and the use by others of the Company's assets yielding option income and royalties. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when the specific criteria have been met for each of the Company's activities as described below:

Option income

Option income is recognized on an accrual basis in accordance with the substance of the relevant agreements. Shares received under option agreements are valued at fair value which is determined at quoted market prices if the shares are quoted on an active market. If the market for the shares is not active, fair value is established by using a valuation technique.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Revenue recognition (continued)

Service fees and rental income

Service fees represent operator fees under option agreements. Rental income represents rental of space provided to partners under mining option agreements. Service fees and rental income agreements are single obligation contracts for which control is transferred when services are rendered and are measured by reference to the fair value of consideration received or receivable by the Company for services provided. They are recognized when there is reasonable evidence that an agreement has occurred, that the services were rendered, that the amount of the fees is fixed or measurable and that the collection is reasonably assured.

Royalties

Royalties consist of revenues earned directly from royalty agreements. Revenue recognition generally occurs in the month of production from the royalty property. Revenue is measured at fair value of the consideration received or receivable when management can reliably estimate the amounts pursuant to the terms of the royalty agreement. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of revenue and accordingly, revenue recognition is deferred.

n) Provisions

Provisions are recognized when present legal or constructive obligations as a result of a past event will lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with the current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when: (a) there is constructive commitment that has resulted from past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) the amount of the obligation can be measured with sufficient reliability. No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. At December 31, 2023 and 2022, there is no provision in the statement of financial position.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Income taxes

Tax expense recognized in the statements of net (loss) income and comprehensive (loss) income comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from the statements of net (loss) income and comprehensive (loss) income in the financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognized as deferred tax expense in the statements of net (loss) income and comprehensive (loss) income, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive loss or equity, respectively.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Equity

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at their fair value according to the quoted price on the day of the conclusion of the transaction.

Unit placements

The Company has adopted a residual method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued based on the fair value of warrants using the Black-Scholes valuation model and the share price at the time of financing, and the difference between the proceeds raised and the value assigned to the warrants is the residual fair value of the shares.

Other elements of equity

Contributed surplus includes charges related to stock options until such are exercised.

Warrants include fair values allocated to the warrants issued. When warrants are exercised, the related cost and fair value are transferred to share capital.

Deficit includes all current and prior period retained profits and losses.

Equity-settled share-based payments

The Company operates an equity-settled share-based payments plan for its eligible directors, officers, employees and consultants. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Equity (continued)

All equity-settled share-based payments (except equity-settled share-based payments to brokers) are ultimately recognized as an expense in the statements of net (loss) income and comprehensive (loss) income, depending on the nature of the payment with a corresponding credit to Contributed surplus or Share capital, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to Contributed surplus, in equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if stock options ultimately exercised are different to that estimated on vesting. Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow through share and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years.

The Company indemnifies the subscribers of flow-through shares for certain tax amounts that may become payable by the subscribers if the Company does not meet its obligations under the flow-through arrangements.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Basic and diluted (loss) earnings per share

Basic (loss) earnings per share is calculated by dividing the (loss) income attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the same period. Diluted (loss) earnings per share is calculated by adjusting (loss) income attributable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

r) Financial Instruments

Classification

Financial Assets/Liabilities	Classification
Cash and cash equivalents	Financial Asset at amortized cost
Accounts receivable	Financial Asset at amortized cost
Investments	FVTPL
Due from related parties	Financial Asset at amortized cost
Accounts payable and accrued liabilities	Financial Liabilities at amortized cost
Due to related parties	Financial Liabilities at amortized cost
Lease liabilities	Financial Liabilities at amortized cost
Loans	Financial Liabilities at amortized cost

Classification

The Company determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). Equity instruments that are held for trading (including all equity derivative instruments) 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 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.

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Financial Instruments (continued)

Measurement

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 for a financial asset.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. 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 statements of net (loss) income in the period in which they arise. Where Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive (loss) income.

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 has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes in the statements of net (loss) income, 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.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing financial statements, management undertakes a number of estimates, judgments and assumptions about recognition and measurement of assets, liabilities, income and expenses. These estimates and judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets and measurement of income tax expense

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to use the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Corporation's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Income, value added, withholding and other taxes

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

Going concern

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to note 2 for further information.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Determination of significant influence over equity investments

Judgment is needed to assess whether the Company's equity interest in private companies meets the definition of significant influence and therefore would be accounted for under the equity method as opposed to fair value through profit and loss. Management makes this determination based on its legal ownership interest, board representation and through an analysis of the Company's participation in entities' policy making process.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's properties may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

Estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Fair value measurement and disclosure

The Company's financial assets that are measured at fair value on a recurring basis include investments in private companies. The Company also discloses the fair value of other financial instruments not measured at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

For investments in private companies, the fair value was estimated based on the history of capital raises of the investee and on the company information. Provisions recognized on recoverability of investments in private companies are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that a change in future business conditions in the private companies could require a material change in the recognized amount.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Provision for credit losses

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Warrants

Estimating fair value for warrant requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the volatility and dividend yield of the warrants. The fair value of warrants is evaluated using the Black Scholes valuation model at the date of grant. The Company has made estimates as to the expected volatility, and life of the warrants. The expected volatility is based on the historical volatility of the Company, over the period of the life of the warrants. These estimates may not necessarily be indicative of future actual patterns.

Fair value of stock options

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of grant. The Company has made estimates as to the volatility, the probable life of stock options granted and the time of exercise of those stock options. The expected volatility is based on the historical volatility of the Company, over the period of the expected life of the stock options. The expected life of the stock options is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Tax credits 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.

(Expressed in Canadian dollars unless otherwise noted)

6) CASH AND CASH EQUIVALENTS

		As at December 31, 2023		As at December 31, 2022
Cash	$	**153,100**	$	1,176,672
Demand deposit		**30,000**		30,000
	$	**183,100**	$	1,206,672

As at December 31, 2023, the deposit was due on demand, bore interest at 2.25% (2022 - 0.8%) per annum and maturing on February 5, 2024 (2022 – February 5, 2023).

7) INVESTMENTS

The short-term portion of investments of $35,085 as at December 31, 2023 (December 31, 2022 - $649,065) is comprised of marketable securities of a publicly traded mining exploration company that are recorded at fair value using quoted market prices.

The long-term portion of investments of $3,000,000 as at December 31, 2023 (December 31, 2022 - $2,700,000) is comprised of common shares of a private mining exploration company that does not have a quoted market price in an active market. The Company assessed the fair value of these shares based on techniques and assumptions that emphasized both qualitative and quantitative information. Specifically, fair value was estimated at each of December 31, 2023 and 2022 based on the private placement price of shares issued by the private company in each respective year. See note 4 (c).

The movements in the short-term and long-term portion of investments for the year ended December 31, 2023 relate to changes in the fair value of the investments.

8) ACCOUNTS RECEIVABLE

Accounts receivable of $488,526 as at December 31, 2023 (December 31, 2022 - $273,768) includes a receivable of $482,777 (December 31, 2022 - $273,768) relating to the joint venture agreements with Eldorado Gold (Québec) Inc. ("Eldorado"). Being the operator of the properties under the joint venture agreements, the Company performs initial exploration programs, which expenditures are reimbursed, plus a service fee, by Eldorado.

(Expressed in Canadian dollars unless otherwise noted)

9) OTHER ASSETS

		As at December 31, 2023		As at December 31, 2022
Tax credit receivable	$	**128,130**	$	272,729
Sales taxes recoverable		**23,671**		17,902
Prepaid expenses		**16,816**		15,624
Deposits		**12,253**		8,263
Due from related parties (note 20)		**10,348**		13,797
Advance to suppliers		**-**		105,020
Other		**-**		100
	$	**191,218**	$	433,435

As at December 31, 2023, an advance of $nil (December 31, 2022 - $105,020) was held with one of the Company's suppliers for geophysics services.

10) EXPLORATION AND EVALUATION PROSPECTS

The following table is a breakdown of the Exploration and evaluation expenditures incurred during the years ended December 31, 2023 and 2022:

		2023		2022
Geology	$	**260,004**	$	325,164
Claims		**24,434**		36,477
Royalty interest		**200,000**		1,932
Geophysical surveys		**110,970**		227,543
Geochemical surveys		**20,750**		105,623
Property examination		**18,685**		36,831
Stripping / excavation		**-**		4,197
Mining tax credits		**(101,697)**		(146,602)
Government exploration program assistance		**(89,437)**		-
Gain on sale of mineral claims		**-**		(117,966)
Realized gain on return of investments on sale of claims		**-**		(71,937)
	$	**443,709**	$	401,262

10) EXPLORATION AND EVALUATION PROSPECTS (continued)

Details on mining tax credits

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

Also, the Company is entitled to the refundable tax credit for resources for mineral companies on qualified expenditures incurred in the Province of Québec. 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 exploration and evaluation expenditures. The Company has recorded $108,239 in expected tax credits against exploration activity for the year ended December 31, 2023 net of penalties of $6,542 (December 31, 2022 - $125,766). As at December 31, 2023, the Company is carrying a tax credit receivable balance of $128,130 (December 31, 2022 - $272,729). During the year ended December 31, 2023, the Company received $252,838 in tax credits applied against the receivable (December 31, 2022 - $nil).

Government exploration program assistance

The Ontario Junior Exploration Program ("OJEP") supports the diversification of Ontario's mineral sector by encouraging early exploration and development projects of critical minerals. For the year ended December 31, 2023, the Company received $89,437 (December 31, 2022 - $nil) under the OJEP assistance program.

a) Amended Mining Option Agreement and Exercise of Option with Golden Valley

On April 18, 2017, the Company signed a Mining Option Agreement with Golden Valley to acquire a 100% interest in a group of properties located in the Abitibi Greenstone Belt consisting of 61 grassroots properties. This Agreement was subsequently amended on November 28, 2019, and the Company exercised its option on December 5, 2019.

The properties are subject to a royalty in favour of Golden Valley Mines equal to 1.25% of the net smelter returns, whereby Val-d'Or Mining has a partial buyback right. The partial buyback right pertains to each individual property, whereby 1% may be bought for $500,000 on a property-by-property basis with a maximum total consideration of $5,000,000 for all properties at which point in time the NSR royalty on all the properties would be reduced by 1.0%.

b) Mining Option Agreements with Eldorado Gold (Québec) Inc.

On November 10, 2021, the Company entered into two separate option agreements (the "Option Agreements") with Eldorado Gold (Québec) Inc. ("Eldorado"), a wholly owned subsidiary of Eldorado Gold Corporation:

10) EXPLORATION AND EVALUATION PROSPECTS (continued)

b) Mining Option Agreements with Eldorado Gold (Québec) Inc (continued)

Eldorado Gold – Option Agreement #1

- The Option Agreement (the "Blue Mountain and Victoria Creek Option") is for the Blue Mountain property and the Victoria Creek property (the "Blue Mountain and Victoria Creek Properties"), located in the Province of Ontario. This agreement enables Eldorado to earn and acquire a 70% interest in the Blue Mountain and Victoria Creek Properties by spending a minimum of $3 million in exploration expenditures over a period of five years and making annual payments of $10,000 per annum (paid) per property to the Company until Eldorado exercises the Blue Mountain and Victoria Creek Option. As part of this agreement, the Company earns a 10% operator fee on eligible expenditures reimbursed by Eldorado. Each property is subject to a royalty in favour of Golden Valley equal to 1.25% of the net smelter returns with a 1% buyback at $500,000. As at December 31, 2023, the option has not been exercised.

- Upon exercise of either Option Agreement, the parties will be deemed to have formed a joint venture in accordance with the terms set out in each of the Option Agreement. Furthermore, in order to earn and acquire an additional 10% undivided interest in the Option Agreements, Eldorado will contribute all joint venture expenditures on behalf of the parties, and deliver to the Company, a preliminary economic assessment report in respect of the applicable Perestroika Ouest Property, Blue Mountain and Victoria Creek Properties.

Eldorado Gold – Option Agreement #2

- The Option Agreement (the "Perestroika Ouest Option") is for the Perestroika Ouest property (the "Perestroika Ouest Property"), which is located in the Province of Québec. This agreement enables Eldorado to earn and acquire a 70% interest in the Perestroika Ouest Property by spending a minimum $1 million in exploration expenditures over a period of five years and making payments of $10,000 per annum (paid) to the Company until Eldorado exercises the Perestroika Ouest Option. The property is subject to a royalty in favour of Golden Valley equal to 1.25% of the net smelter returns with a 1% buyback at $500,000. As at December 31, 2023, the option has not been exercised.

- Upon exercise of the Option Agreement, the parties will be deemed to have formed a joint venture in accordance with the terms set out in each of the Option Agreement. Furthermore, in order to earn and acquire an additional 10% undivided interest in the Option Agreements, Eldorado will contribute all joint venture expenditures on behalf of the parties, and deliver to the Company, a preliminary economic assessment report. Thereafter, dilution provisions apply.

10) EXPLORATION AND EVALUATION PROSPECTS (continued)

b) Mining Option Agreements with Eldorado Gold (Québec) Inc (continued)

Eldorado Gold – Option Agreement #3

The Company acquired the third option agreement from Gold Royalty for the Claw Lake, Cook Lake and Murdoch Creek properties in Ontario and the Perestroika Prospect in Québec. Details about this option agreement are described further below as part of the Strategic Relationship with Gold Royalty. The Company acts as the operator and is entitled to 10% operator fee on eligible expenditures reimbursed by Eldorado.

Eldorado Gold – Option Agreement #4

On May 26, 2023, the Company entered into an additional option agreement with Eldorado. Under the terms of the Option Agreement, Eldorado can earn up to an 80% interest in the Baden, Plumber, Island 27 and Matachewan Prospects as described below (together, the "Properties").

- The Company has granted Eldorado the sole and exclusive option to earn, at a minimum, a 70% direct interest (the "70% Option") in one or more of the Properties through exploration expenditures on any of the Properties as follows:

  - To earn 70% interest in the Baden Prospect, Eldorado to fund expenditures over 5 years totalling $12 million.
  - To earn 70% interest in the Plumber Prospect, Eldorado to fund expenditures over 5 years totalling $1 million.
  - To earn 70% interest in the Island 27 Prospect, Eldorado to fund expenditures over 5 years totalling $6 million.
  - To earn 70% interest in the Matachewan Prospect, Eldorado to fund expenditures over 5 years totalling $1 million.
  - To earn 70% in all four properties, Eldorado to fund expenditures over 5 years totalling $20M on any of the properties.

- Eldorado will make annual payments to the Company of $100,000 beginning on the first anniversary of signing of the Option Agreement. In addition, Eldorado will be responsible for funding minimum work commitments on each property to keep the Properties in good standing. Upon exercise of the 70% Option by Eldorado, the parties will be deemed to have formed a joint venture in accordance with the terms set out in the Option Agreement and will use commercially reasonable efforts to enter into a formal joint venture agreement within 60 business days of the exercise of the 70% Option. As part of this agreement, the Company earns a 10% operator fee on eligible expenditure reimbursed by Eldorado.

10) EXPLORATION AND EVALUATION PROSPECTS (continued)

b) Mining Option Agreements with Eldorado Gold (Québec) Inc (continued)

- In order to earn and acquire an additional 10% undivided interest in the Properties (the "Additional Option"), Eldorado will contribute all joint venture expenditures on behalf of the parties, and deliver to the Company, a preliminary economic assessment (PEA) report in respect of the Properties.

- Upon the exercise of the Additional Option by Eldorado, the Company will have a 20% undivided beneficial interest in the Properties and Eldorado will have an 80% undivided beneficial interest in the Properties, after which the parties will contribute their proportional share to further exploration and development of the Properties, subject to standard dilution.

- The four properties are subject to various NSR agreements.

c) Strategic Partnership with Gold Royalty Corp.

On November 30, 2022, the Company entered into a strategic partnership agreement with Golden Valley, (which together with Gold Royalty, referred to as "Gold Royalty"). Under the agreement, the Company has purchased from Gold Royalty two property portfolios: No cash or equity consideration was paid, but the Company was required to pay to Gold Royalty 20% of any future consideration received by the Company, consisting of cash, shares or other securities of any entity received by the Company from a third party in consideration for any interest received pursuant to any transaction, agreement or other arrangement entered into on or before December 31, 2023. As at December 31, 2023, no consideration has been paid.

<u>Golden Valley Exploration Portfolio</u>

- the mineral rights and interests in the following properties located in Québec and Ontario – Bogside, Bogside NW, Cheechoo B East, Island 27, Matachewan, Munro, North Contact, Recession Larder, Riverside, Sharks, Smokehead and Titanic (together the "Golden Valley Exploration Portfolio") in consideration for which the Company has granted to Gold Royalty a net smelter return royalty ("NSR") of either 1% or 0.5% on each property comprising the Golden Valley Exploration Portfolio. In order to secure the payment of the royalties by the Company to Golden Valley, the Company has entered into a Deed of Hypothec in favour of Golden Valey in the principal amount of $5,000,000 and bearing interest at a rate of 25% per annum.

10) EXPLORATION AND EVALUATION PROSPECTS (continued)

c) Strategic Partnership with Gold Royalty Corp.(continued)

Golden Valley JV Exploration Portfolio

- and the mineral rights and interests in all joint venture agreements that Golden Valley was a party to consisting of the Claw Lake, Cook Lake and Murdoch Creek properties in Ontario and the Perestroika Prospect in Québec (the "JV Exploration Portfolio") along with the assignment by Golden Valley to the Company of all of Golden Valley's rights, title, obligations and interests under the option agreement between Golden Valley and Eldorado Gold (Québec) Inc. dated October 8, 2021 (the "Eldorado Option Agreement"). In consideration for the purchase of the JV Exploration Portfolio, the Company has assigned to Gold Royalty three-quarters of the 2% NSR that the Company will be entitled to under the Eldorado Option Agreement, and also grant Golden Valley a royalty interest ranging up to 1.5% in and to all the Company's working interests in the JV Exploration Portfolio including under the Eldorado Option Agreement.

d) Abitibi Exploration Portfolio

On March 9, 2023, the Company entered into a further letter agreement with Abitibi for the assignment and transfer to the Company of all rights, titles and interests in and to the mineral claims forming Abitibi's Upper Red Lake property located in Ontario (the "Abitibi Exploration Portfolio") in consideration for which the Company will grant to Gold Royalty a 1% net smelter return royalty on the property comprising the Abitibi Exploration Portfolio. The property is also subject to an existing 0.5% net smelter returns royalty granted to Gravel Ridge Resources Ltd and Perry English pursuant to an agreement dated November 9, 2020 between Abitibi Royalties Inc., Gravel Ridge Resources Ltd and Perry English with respect to certain claims comprising, in part, the Abitibi Exploration Portfolio.

- No cash or equity consideration will be paid for the Abitibi Exploration Portfolio acquired by the Company.

- The Company will pay to Gold Royalty 20% of any future consideration received by the Company consisting of cash, shares or other securities of any entity received by the Company from a third party in consideration for any interest in, or otherwise in relation to, the Abitibi Exploration Portfolio pursuant to any transaction, agreement or other arrangement entered into, agreed to or announced by the Company on or before March 31, 2024. As at December 31, 2023, no consideration has been paid.

10) EXPLORATION AND EVALUATION PROSPECTS (continued)

e) NSR Purchase Agreement with 2973090 Canada Inc

On May 26, 2023, the Company entered into a net smelter return purchase agreement with 2973090 Canada Inc., a private company wholly-owned and controlled by a director and the Chair, President and Chief Executive Officer of the Company and Glenn J. Mullan, pursuant to which the Company purchased and concurrently cancelled net smelter return royalties on the Matachewan, Munro, Bogside, Claw Lake, Cook Lake, Recession Larder, Murdoch Creek, and Perestroika prospects. The Company issued an aggregate of 2,222,222 common shares in consideration for the purchase and cancellation of the net smelter return royalties as set out in the NSR Purchase Agreement. The fair value of the 2,222,222 common shares issued, at $200,000 was expensed in the statement of net (loss) income and comprehensive (loss) income.

f) Mineral Claim Sale and Purchase Agreement with Progenitor Metals Corp.

On December 16, 2019, the Company entered into a mineral claim sale agreement for ten exploration properties, which are located in the Abitibi Greenstone Belt of NW Québec. The purchaser is privately owned Progenitor Metals Corp. ("Progenitor Metals"). In consideration for 100% of the Horne North Prospects, the Company received 5,345,657 shares in the capital of Progenitor Metals. The payment shares were split between Val-d'Or Mining and Golden Valley, whereby Val-d'Or Mining retained 80% of the aggregate consideration (4,276,526 shares) and Golden Valley received 20% of the consideration (1,069,131 shares) pursuant to the terms of the recently amended Mining Option Agreement. Progenitor Metals has covenanted to enter into a "going public" transaction within 21 months from the closing date of the transaction, which closed on March 31, 2020. In the event that the purchaser has not entered into such a transaction within the specified time period, the properties will revert to the Company and the Company will return to the purchaser 50% of the consideration received under the purchase agreement.

On December 15, 2022, in light of Progenitor Metals not being able to complete a "going public transaction", the Company and Golden Valley entered into a new mineral claim sale and purchase agreement with Progenitor Metals whereby the 5,345,657 shares in the capital of Progenitor Metals (of which 4,276,526 shares were held by the Company) were surrendered to Progenitor Metals. In return, seven of the ten exploration properties were reverted back to the Company, with the remaining three properties being sold to Progenitor Metals for consideration of a promissory note of $210,000 (of which $168,000 will be payable to the Company and $42,000 will be payable to Golden Valley), grant a 1.5% NSR royalty to the Company (and a 1.25% NSR royalty to Golden Valley) and $15,000 annually to the Company commencing on December 15, 2026. Consequently, in 2022, the Company recognized a gain on investments of $71,937 on the surrender of the 4,276,526 shares to Progenitor Metals in return for the ten properties being reverted to the Company. On sale of the three properties, the Company recognized a gain on sale of $117,966 in 2022 on proceeds of the promissory note of $168,000 and fair value of $1,932 on the 1.5% NSR royalty interest. The gain on sale of $117,966 has been recorded in Exploration and evaluation expenses.

10) EXPLORATION AND EVALUATION PROSPECTS (continued)

f) Mineral Claim Sale and Purchase Agreement with Progenitor Metals Corp. (continued)

The promissory note of $168,000 to the Company is due on demand without interest, repayable in whole or in part; and if and when Progenitor Metals completes a "going public" transaction, the promissory note can be satisfied by the issuance of shares of Progenitor Metals at the option of the Company. As at December 31, 2022, the Company recognized an allowance of $168,000 for credit losses on the promissory note and a royalty expense of $1,932 on 1.5% NSR royalty interest.

11) ROYALTY INTERESTS

a) Ducros Group of Properties

On October 6, 2020, Val-d'Or Mining entered into an agreement with respect to the sale of several properties referred to as the Ducros Group of Properties. The properties are located in the Ducros Township northeast of Val-d'Or, Québec. The purchaser of the property is Québec Nickel Corp. ("QNC"). In consideration for a 100% interest in the properties, QNC issued 3,589,341 special warrants to the Company (of which Golden Valley received 80,880 special warrants in accordance with the terms of an amended and restated option agreement between the Company and Golden Valley dated November 28, 2019). In addition, the Company was granted a royalty of 1.5% of the net smelter returns from the properties which were sold under the agreement, as well as those properties which were staked or will be otherwise acquired by QNC within an area of influence. Commencing on the 4th anniversary of the date of this Agreement, QNC is to pay to the Company an advance minimum royalty payments of $10,000 per annum.

Some of the properties forming the Ducros Group of Properties are also subject to a royalty in favour of Golden Valley equal to 1.25% of the net smelter returns as per the amended mining option agreement with Golden Valley dated November 28, 2019 (see note 10(a)). An additional NSR on the historic Fortin property is in favour of Fortin & Fortin equal to 1.5% of the net smelter returns. Certain buyback rights exist.

b) Powell Prospect

On February 6, 2020, the Company entered into an agreement with respect to the sale of its Powell Prospect, which is located in the Matachewan gold camp of the Abitibi Greenstone Belt region of Ontario. The purchaser of the property is Sparton Resources Inc. ("Sparton"). In consideration for a 100% interest in the property, the Company received 1,000,000 shares in the share capital of Sparton and the Company was granted a royalty of 2% from the property. One percent of the net smelter return (or 50% of the 2% net smelter royalty) may be purchased by Sparton at any time after the acquisition of the claims for US$2.5 million.

(Expressed in Canadian dollars unless otherwise noted)

11) ROYALTY INTERESTS (continued)

c) Luc Bourdon Prospect

On December 12, 2019, the Company entered into an agreement with respect to the sale of its Luc Bourdon property, which is located in the James Bay region of northern Ontario. The purchaser of the property is privately-owned Juno Corp. ("Juno"). In consideration for a 100% interest in the property, the Company received 1,500,000 shares in the share capital of Juno, and the Company was granted a royalty of 1.5% of the net smelter returns from the property.

12) PROPERTY AND EQUIPMENT

On August 14, 2023, the Company acquired an existing property, consisting of land and building located at 2772 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, for the purchase price of $650,000 (paid in cash) to be the Company's exploration office building effective January 1, 2024.

The Company has allocated the purchase price to land at its fair value of $144,000, with the remainder to building at $506,000. As the building was not yet ready for use at December 31, 2023, no depreciation was recorded.

The following table summarizes information regarding the Company's property as at December 31, 2023:

	As at January 1, 2023	Net Additions	Depreciation	As at December 31, 2023
Land	$ -	144,000	-	$ 144,000
Building	-	506,000	-	506,000
Improvements	-	118,313	-	118,313
	$ -	768,313	-	$ 768,313

13) LOAN

The Company applied and received the $60,000 Canada Emergency Business Account which was an interest-free loan to cover operating costs. Repaying the balance of the loan on or before January 18, 2024 would result in a loan forgiveness of $20,000. The loan balance was repaid in November 2023 and the Company recognized a gain on loan forgiveness in the amount of $20,000 in other income for the year ended December 31, 2023.

(Expressed in Canadian dollars unless otherwise noted)

14) EQUITY

Share Capital

Authorized

Unlimited number of voting common shares without par value.

Movement in Share Capital

	For the year ended December 31,					
	2023			2022		
	Number			Number		
Balance at beginning of year	**81,385,459**	**$**	**8,626,553**	69,893,508	$	7,050,910
Issuance of shares on exercise of incentive stock options	**1,150,000**		**234,390**	-		-
Issuance of shares on NSR purchase agreement	**2,222,222**		**200,000**	-		-
Issuance of units under a private placement	**-**		**-**	8,727,954		1,135,161
Share issuance costs	**-**		**-**	-		(32,283)
Issuance of shares on exercise of share purchase warrants	**-**		**-**	2,763,997		472,765
Balance at end of year	**84,757,681**	**$**	**9,060,943**	81,385,459	$	8,626,553

2023 transaction on share capital

Issuance of shares on NSR purchase agreement

As described in note 10, on May 26, 2023, the Company entered into an NSR Purchase Agreement with 2973090 Canada Inc., pursuant to which the Company purchased and concurrently cancelled various net smelter return royalties. The Company issued an aggregate of 2,222,222 common shares in consideration, with the fair value of the 2,222,222 common shares issued determined to be $200,000 based on the quoted market price of the common shares of the Company.

Issuance of shares on exercise of incentive stock options

For the year ended December 31, 2023, the Company issued 1,150,000 of its common shares pursuant to the exercise of 1,150,000 incentive stock options for a total consideration of $120,750. The grant date fair value of the options of $113,640 was reallocated from contributed surplus to share capital.

14) EQUITY (continued)

2022 transactions on share capital

Issuance of Units under a private placement

On March 18, 2022, the Company completed a non-brokered private placement offering, pursuant to which it issued 8,727,954 Units at a per Unit price of $0.16, for gross proceeds of $1,396,473. Each Unit consisted of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitling to the purchase of one common share at a per share price of $0.20 until March 18, 2024.

The fair value of the 4,363,977 warrants was estimated at $261,312. The residual method, using the Black-Scholes pricing model was retained to estimate fair value with the following assumptions: an expected volatility of 119.91%, a risk-free interest rate of 1.83%, a unit life of 2 years, no expected dividend yield and a share price of $0.12 at date of grant. The fair value of these warrants was deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

In connection with the financing, administration fees of $8,000 and legal fees and regulatory fees of $24,283 were incurred in relation with the private placement.

Issuance of shares on exercise of share purchase warrants

For the year ended December 31, 2022, the Company issued 2,763,997 of its common shares pursuant to the exercise of 2,763,997 share purchase warrants for a total consideration of $276,400.

(Expressed in Canadian dollars unless otherwise noted)

15) WARRANTS

The following table shows the changes in warrants:

	For the year ended December 31, 2023			For the year ended December 31, 2022		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of year	5,754,622	$	0.20	4,278,391	$	0.13
Issued under a private placement (note 14)	-		-	4,363,977		0.20
Exercised	-		-	(2,763,997)		0.10
Expired	(1,390,645)		-	(123,749)		0.20
Outstanding, end of year	4,363,977	$	0.20	5,754,622	$	0.20

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

	As at December 31, 2023			
Expiration date	Number of outstanding warrants		Exercise price	Weighted average remaining life
March 18, 2024	4,363,977		0.20	0.21
	4,363,977	$	0.20	0.21

Subsequent to December 31, 2023, 4,363,977 share purchase warrants expired unexercised.

16) SHARE-BASED PAYMENTS

Stock option plan

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but would not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it would be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported.

(Expressed in Canadian dollars unless otherwise noted)

16) SHARE-BASED PAYMENTS (continued)

The vesting period of the options would be determined by the Board of Directors, in accordance with the rules and regulations of the TSX Venture Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash. A summary of changes in the number of incentive stock options is presented as follows:

	For the year ended December 31, 2023			For the year ended December 31, 2022		
	Number of options		**Weighted average exercise price**	Number of options		Weighted average exercise price
Outstanding, beginning of period	**8,061,846**	**$**	**0.108**	6,766,943		0.118
Granted	**-**		**-**	2,100,000		0.080
Exercised	**(1,150,000)**		**0.105**	-		-
Forfeited	**(1,085,000)**		**0.105**	(805,097)		(0.110)
Outstanding, end of period	**5,826,846**	**$**	**0.108**	8,061,846	$	0.108

During the year ended December 31, 2023, the weighted average trading share price at the time of option exercise was $0.12 per common share.

No incentive stock options were granted for the year ended December 31, 2023.

Incentive Stock Options granted in 2022

On June 23, 2022, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 1,700,000 common shares at an exercise price of $0.08 per share. The options are exercisable for a period of five years until June 23, 2027 and are exercisable immediately. The fair value of the 1,700,000 stock options has been estimated on the date of issue at $107,635, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.08; expected dividend yield: nil; expected volatility: 131.65%; risk-free interest rate: 3.14%; expected life: 5 years and exercise price at the date of grant: $0.08 per share.

On June 29, 2022, the Company granted to an officer and a consultant incentive stock options entitling the purchase of an aggregate 400,000 common shares at an exercise price of $0.075 per share. The options are exercisable for a period of 5 years until June 29, 2027 and are exercisable immediately. The fair value of the 400,000 stock options has been estimated on the date of issue at $23,767, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.075; expected dividend yield: nil; expected volatility: 131.94%; risk-free interest rate: 3.16%; expected life: 5 years and exercise price at the date of grant: $0.075 per share.

(Expressed in Canadian dollars unless otherwise noted)

16) SHARE-BASED PAYMENTS (continued)

Stock option plan (continued)

As at December 31, 2023, the number of outstanding stock options that could be exercised for an equal number of common shares is as follow:

Expiration date	Number of options		Exercise price	Weighted average remaining life
June 17, 2024	497,263		0.075	0.46
June 26, 2025	1,111,350		0.150	1.49
February 22, 2026	1,415,233		0.130	2.15
June 28, 2026	525,000		0.110	2.49
November 11, 2026	178,000		0.110	2.87
June 23, 2027	1,700,000		0.080	3.48
June 29, 2027	400,000		0.075	3.50
	5,826,846	$	0.108	2.41

Restricted Share Unit Plan

At the annual general and special meeting of shareholders held on June 27, 2016, the shareholders approved the adoption and implementation of a Restricted Share Unit Plan (the "RSU Plan"). The RSU Plan provides that restricted share units ("Share Units") may be granted by the Company's Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be decided at the grant date. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 1,288,199 common shares.

No restricted shares units were issued for the year ended or outstanding as at December 31, 2023 and 2022.

(Expressed in Canadian dollars unless otherwise noted)

17) GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes general and administrative expenses for the year ended December 31, 2023 and 2022.

		2023		2022
Corporate expenses	$	**396,073**	$	292,137
Shared costs (note 20)		**192,448**		40,522
Investor relations		**116,317**		93,999
	$	**704,838**	$	426,658

18) (LOSS) EARNINGS PER SHARE

(Loss) income per share has been calculated using the weighted average number of common shares outstanding for the year ended December 31, 2023 and 2022 as follows:

		For the year ended December 31, 2023		2022
Net (loss) income for the year	$	**(1,080,642)**	$	630,365
Weighted average number of common shares - Basic		**83,000,634**		78,681,074
Dilutive effect of stock options and warrants		**-**		352,896
Weighted average number of common shares - Diluted		**83,000,634**		79,033,970
Basic (loss) earnings per share	$	**(0.013)**	$	0.008
Diluted (loss) earnings per share		**(0.013)**		0.008

For the year ended December 31, 2023, 3,229,583 incentive stock options and 4,586,199 warrants have been excluded in the diluted weighted average number of common shares in the earnings per share calculation.

Diluted (loss) earnings per share does not include the effect of outstanding share options and warrants if their effect is anti-dilutive.

(Expressed in Canadian dollars unless otherwise noted)

19) INCOME TAXES

Provision for income taxes

The relationship between the expected tax expense based on the combined income tax rate in Canada and the reported tax expense in the statements of net (loss) income and comprehensive (loss) income can be reconciled as follows:

		2023		2022
Net (loss) income before income taxes	$	(1,080,642)	$	630,365
Expected tax expense (recovery) calculated using the combined Federal and Provincial income tax rate in Canada of 26.50% (26.50% in 2022):		(286,000)		167,000
Flow-through share renunciation		-		94,000
Share-based payments		-		35,000
Non-deductible expenses and other		(98,000)		2,000
Tax benefit not recognized		384,000		(298,000)
Income tax expense (recovery)	$	-	$	-

Deferred income tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. As at December 31, 2023 and 2022, the Company has the following deferred tax assets (liabilities):

Recognized deferred tax assets and liabilities:

		2023		2022
Non-capital loss carry-forwards	$	613,000	$	696,000
Investments		(613,000)		(696,000)
Deferred income tax liability	**$**	-	**$**	-

(Expressed in Canadian dollars unless otherwise noted)

19) INCOME TAXES (continued)

Unrecognized deferred tax assets:

As at December 31, 2023 and 2022, deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

		2023		2022
Share issuance costs	$	**44,000**	$	71,000
Exploration and evaluation assets		**7,527,000**		6,548,000
Non-capital losses		**828,000**		333,000
	$	**8,399,000**	$	6,952,000

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient profits will be available to allow the asset to be recovered. The Company has the following non-capital losses, totalling $3,142,000, which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statements of financial position, that can be carried over the following years:

Year		Amount
2031	**$**	**76,000**
2032		**108,000**
2033		**62,000**
2034		**120,000**
2035		**91,000**
2036		**77,000**
2037		**309,000**
2038		**471,000**
2039		**499,000**
2040		**283,000**
2041		**239,000**
2042		**314,000**
2043		**493,000**
	$	**3,142,000**

The Company has investment tax credits carryover of $23,295 (December 31, 2022 - $23,295) that expire between 2031 and 2033, which are available to reduce income taxes payable in future years.

(Expressed in Canadian dollars unless otherwise noted)

20) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement ") with Golden Valley, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9., in consideration of $8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis. This Sharing Arrangement was terminated on June 30, 2022. For the year ended December 31, 2022, the Company reimbursed Golden Valley the amount of $6,959.

On July 1, 2022, the Company and Gold Royalty amended the existing Cost Sharing Arrangement, pursuant to which the Company will now provide certain management functions and the fee consideration was adjusted. For the year ended December 31, 2022, the Company was reimbursed by Gold Royalty, through its wholly owned subsidiary Golden Valley, in the amount of $24,000 relating to this new arrangement.

Effective January 1, 2023, the Cost Sharing Arrangement with Gold Royalty was replaced into a rental arrangement at new rates to reflect the change utilization patterns, whereby the Company receives a rental fee of $1,000 per month. For the year ended December 31, 2023, the Company received rental fees from Gold Royalty, through its wholly owned subsidiary Abitibi, the amount of $12,000. As at December 31, 2023, the Company had no amounts (December 31, 2022 - $13,797, included in Other Assets) due from Gold Royalty.

b) Transactions with key management and other related parties

Key management personnel of the Company is comprised of the members of the Board of Directors, as well as the President, the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and the Vice-President Exploration ("VP Exploration").

	For the year ended December 31,		
	2023		2022
Key senior management	**278,600**	$	344,393
Other individuals	**63,600**		39,000
	342,200	$	383,393

20) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with key management and other related parties (continued)

- For the year ended December 31, 2023, the Company incurred consulting fees of $278,600 (for the year ended December 31, 2022 - $344,393) respectively with key senior management of which $187,200 (2022 - $296,393) was recorded under exploration and evaluation expenses and $91,400 (2022- $48,000) were recorded under corporate expenses in the statements of net (loss) income and comprehensive (loss) income.

- For the year ended December 31, 2022, the Company granted incentive stock options to key management personnel to purchase an aggregate 1,875,000 common shares of the Company. The Company recorded a stock-based compensation of $117,156 relating to this grant.

- As at December 31, 2023, the Company had indebtedness of $13,670 (December 31, 2022 - $105,000, recorded in due to related parties), due to key management.

- As detailed in note 10(d), on May 26, 2023, the Company entered into a net smelter return purchase agreement with 2973090 Canada Inc., a private company wholly-owned and controlled by a director and the Chair, President and Chief Executive Officer of the Company and Glenn J. Mullan.

c) Transactions with other individuals

- For the year ended December 31, 2023, the Company incurred consulting fees of $6,000 (2022 - $18,000) with an individual, the spouse of the CEO, as part of a consulting agreement for corporate finance and advisory services and of $57,600 (2022 - $21,000) with the spouse of the COO, as part of a consulting agreement for accounting services. These fees were recorded under corporate expenses in the statements of net (loss) income and comprehensive (loss) income. As at December 31, 2023 and 2022, no amounts were due to these related individuals.

d) Transactions with other

- For the year ended December 31, 2023, the Company incurred rent and occupancy fees of $12,000 (2022 - $8,482) with a company controlled by the President. As at December 31, 2023, the Company had no indebtedness (December 31, 2022 - $3,889, recorded in due to related parties) due to this company.

- For the year ended December 31, 2023, the Company was reimbursed by related companies in the amount of $24,000 (2022 - $7,256) under a rental arrangement for office space and administrative support. As at December 31, 2023, the Company had a net receivable of $10,348 (December 31, 2022 - $nil) from related companies, which is included in Other Assets.

21) COMMITMENTS AND CONTINGENCIES

a) The Company entered into a consulting agreement with the CEO for an annual payment of $115,200. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000, if the consulting agreement is terminated by the Company, and if the consulting agreement is terminated by the CEO within six months from the date of change of control, the amount payable would be $100,000. Minimum pay on termination is three months of pay which is $28,800, representing the minimum annual commitment.

b) The Company entered into a consulting agreement with the COO for an annual payment of $115,200. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000, if the consulting agreement is terminated by the Company, and if the consulting agreement is terminated by the COO within six months from the date of change of control the amount payable would be $100,000. Minimum pay on termination is three months of pay which is $28,800, representing the minimum annual commitment.

c) The Company entered into a consulting agreement with the Chief Financial Officer for an annual payment of $28,800. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $24,000 if the consulting agreement is terminated by the Company within twelve months from the date of change of control. Minimum pay on termination is three months of pay which is $7,200, representing the minimum annual commitment.

d) Other consulting agreements: the Company is party to other contracts and severance obligations. Minimum commitments under these contracts due within one year are $19,200.

e) Environmental Contingencies - the Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are 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.

22) FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

Financial assets and liabilities measured at amortized cost for which a fair value is provided in the statement of financial position are presented in accordance with the fair value hierarchy.

(Expressed in Canadian dollars unless otherwise noted)

22) FINANCIAL ASSETS AND LIABILITIES (continued)

Categories of financial assets and liabilities (continued)

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at December 31, 2023 and 2022.

December 31, 2023	Level 1	Level 2	Level 3	Total
Short-term investments	$ 35,085	-	$ -	$ 35,085
Long-term investments	-	-	3,000,000	3,000,000
	$ 35,085	$ -	$ 3,000,000	$ 3,035,085

December 31, 2022	Level 1	Level 2	Level 3	Total
Short-term investments	$ 649,065	-	$ -	$ 649,065
Long-term investments	-	-	2,700,000	2,700,000
	$ 649,065	$ -	$ 2,700,000	$ 3,349,065

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at December 31, 2023.

December 31, 2023	Fair value	Valuation Technique	Significant Unobservable Input(s)
Juno Corp (note 10)	$ 3,000,000	Recent financing	Marketability of shares

(Expressed in Canadian dollars unless otherwise noted)

22) FINANCIAL ASSETS AND LIABILITIES (continued)

Categories of financial assets and liabilities (continued)

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

As at December 31, 2023, a +/- 10% change in the fair value of Juno Corp will result in a corresponding +/- $300,000 change in the carrying amount. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There have been no significant transfers between Levels 1, 2 and 3 in the reporting periods. The techniques and evaluation methods used to measure fair value were not changed compared to previous years. The carrying amounts and fair values of financial instruments presented in the statement of financial position are as follows:

	As at December 31, 2023		**As at December 31, 2022**	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Cash and cash equivalents	**$ 183,100**	**$ 183,100**	1,206,672	1,206,672
Accounts receivable	**488,526**	**488,526**	273,768	273,768
Investments	**3,035,085**	**3,035,085**	3,349,065	3,349,065
Due from related parties	**10,348**	**10,348**	13,797	13,797
	$ 3,717,059	**$ 3,717,059**	$ 4,843,302	$ 4,843,302

(Expressed in Canadian dollars unless otherwise noted)

22) FINANCIAL ASSETS AND LIABILITIES (continued)

Categories of financial assets and liabilities (continued)

	As at December 31, 2023		As at December 31, 2022	
Financial liabilities	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable and accrued liabilities	$ **348,867**	$ **348,867**	$ 27,444	$ 27,444
Due to related parties	**13,670**	**13,670**	111,899	111,899
Loan	**-**	**-**	60,000	60,000
	$ **362,537**	$ **362,537**	$ 199,343	$ 199,343

The carrying value of cash and cash equivalents, accounts receivable, due from/to related parties, loan, accounts payable and accrued liabilities is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

23) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives in managing capital are to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in note 14 and in the statements of changes in equity.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

24) FINANCIAL RISKS

The Company is exposed to various financial risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk, market risk and liquidity risk. The Company focuses on actively securing short to medium-term cash flow by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash and cash equivalents of $183,100 at December 31, 2023 (December 31, 2022 - $1,206,672), accounts receivable of $488,526 (December 31, 2022 - $273,768) and due from related parties of $10,348 (December 31, 2022 - $13,797). The risk related to cash and cash equivalents is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent. The risk related to amounts due from related parties is mitigated by having common management. No risk related to accounts receivable as amounts have been received subsequent to year end.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to fluctuations in the market prices of its investments in private and public companies. The fair value of those instruments represents the maximum exposure to price risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has potential financing sources. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations. Accounts payable and accrued liabilities are due within less than 90 days. The loan of $60,000 (note 13) was repaid in 2023.

25) ADDITIONAL CASH FLOW INFORMATION

Significant non-cash transactions included in the Statements of Cash Flows for the year ended December 31, 2023 and 2022 are as follows:

	2023	2022
Repurchase of royalty interests through share issuance	**$ 200,000**	$ -
Addition to Property and equipment	**65,122**	-