



AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 14 MONTHS ENDED DECEMBER 31, 2023, and YEAR ENDED OCTOBER 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Exploits Discovery Corp.

Opinion

We have audited the accompanying consolidated financial statements of Exploits Discovery Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and October 31, 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the 14 month period ended December 31, 2023 and year ended October 31, 2022, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and October 31, 2022, and its financial performance and its cash flows for the 14 month period and year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Key Audit Matters

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

Assessment of Impairment Indicators of Exploration and Evaluation Properties ("E&E Properties")

As described in Note 10 to the consolidated financial statements, the carrying amount of the Company's E&E Properties was \$19,389,976 as of December 31, 2023. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Properties for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Properties is a key audit matter is that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Properties, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Properties.



Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Properties through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements.
- Evaluating on a test basis confirmation of title to ensure mineral rights underlying the E&E Properties are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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


- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Michael MacLaren.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 16, 2024

Exploits Discovery Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	For the 14 months ended December 31, 2023	For the year ended October 31, 2022
		\$	\$
Assets			
Current Assets			
Cash		7,755,486	10,069,257
Taxes and other receivables	6	291,613	536,045
Prepaid expenses	12	151,838	49,262
Marketable securities	9	47,055	77,775
Total Current Assets		8,245,992	10,732,339
Non-Current Assets			
Deposits	10(k)	30,500	1,046,032
Equipment	8	36,036	36,463
Exploration and evaluation properties	10	19,389,976	22,588,624
Total Non-Current Assets		19,456,512	23,671,119
Total Assets		27,702,504	34,403,458
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities	7,12	129,794	1,362,430
Flow-through liability	11	289,795	-
Total Current Liabilities		419,589	1,362,430
Total Liabilities		419,589	1,362,430
Shareholder's Equity			
Share capital	11	55,089,678	50,063,358
Contributed Surplus	11	4,079,372	3,746,237
Accumulated deficit		(31,886,135)	(20,768,567)
Total Shareholder's Equity		27,282,915	33,041,028
Total Liabilities and Shareholders' Equity		27,702,504	34,403,458

Nature of operations (Note 1)

These consolidated financial statements were authorized for issuance by the Board of Directors on April 16, 2024.

Approved on behalf of the Board of Directors: (Signed) "*Larry Short*" Director (Signed) "*Siri Genik*" Director

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

Exploits Discovery Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	For the 14 months ended December 31, 2023	For the year ended October 31, 2022
Expenses			
Exploration & evaluation expenditures	10,12	6,860,180	4,710,385
Management & director fees	12	779,737	845,270
Investor relations		468,346	443,189
General and administrative		127,555	336,387
Professional fees		449,161	223,330
Regulatory and filing fees		124,392	80,978
Amortization	8	18,469	10,418
Share-based compensation	11 (c),12	333,135	569,319
Loss before finance and other items		(9,160,975)	(7,219,276)
Impairment on mineral property	10	(3,318,648)	(412,815)
Unrealized gain (loss) on marketable securities	9	(30,720)	(534,450)
Interest income		184,579	1,197
Recovery of flow through share liability premium	11(a)	1,208,196	610,067
Loss and comprehensive loss		(11,117,568)	(7,555,277)
Loss per share - basic and diluted		(0.08)	(0.07)
Weighted average number of common shares outstanding			
– basic and diluted		138,036,863	110,636,944

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

Exploits Discovery Corp.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Contributed Surplus	Obligation to issue shares	Accumulated Deficit	Total Equity (Deficit)
	#	\$	\$	\$	\$	\$
Balance at October 31, 2021	103,508,586	46,317,040	3,107,904	600,000	(13,213,290)	36,811,654
Units Shares issued for cash	14,335,550	4,500,399	-	-	-	4,500,399
Issuance costs	-	(150,000)	-	-	-	(150,000)
Fair value of broker warrants issues	-	(69,014)	69,014	-	-	-
Fair value of shares issued for property acquisition	500,000	75,000	-	-	-	75,000
Obligation to issue shares	-	-	-	(600,000)	-	(600,000)
Allocated to flow through liability	-	(610,067)	-	-	-	(610,067)
Share-based compensation	-	-	569,319	-	-	569,319
Comprehensive loss for the year	-	-	-	-	(7,555,277)	(7,555,277)
Balance at October 31, 2022	118,344,136	50,063,358	3,746,237	-	(20,768,567)	33,041,028
Shares issued for cash	37,685,709	6,764,772	-	-	-	6,764,772
Share issue costs	-	(300,461)	-	-	-	(300,461)
Fair value of shares issued for property acquisition	600,000	60,000	-	-	-	60,000
Allocated to flow through liability	-	(1,497,991)	-	-	-	(1,497,991)
Share-based compensation	-	-	333,135	-	-	333,135
Comprehensive loss for the period	-	-	-	-	(11,117,568)	(11,117,568)
Balance at December 31, 2023	156,629,845	55,089,678	4,079,372	-	(31,886,135)	27,282,915

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

Exploits Discovery Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note	For the 14 months ended December 31, 2023	For the year ended October 31, 2022
		\$	\$
Operating activities			
Loss for the period		(11,117,568)	(7,555,277)
Items not involving cash:			
Amortization	8	18,469	10,418
Fair value adjustment on investment		30,720	534,450
Impairment on mineral property	10	3,318,648	412,815
Recognition of flow through income	11(a)	(1,208,196)	(610,067)
Share-based compensation	11(c)	333,135	569,319
Net change in non-cash working capital items:			
Taxes and other receivables		244,433	352,985
Prepaid expenses		(102,576)	(22,709)
Accounts payable and accrued liabilities		(1,232,636)	474,004
Net cash used in operating activities		(9,715,571)	(5,834,062)
Investing activities			
Equipment Purchase		(18,042)	-
Exploration and evaluation property acquisition expenditures		(60,000)	(64,300)
Deposits		1,015,531	(1,046,032)
Net cash used in investing activities		937,489	(1,110,332)
Financing activities			
Proceeds from issuance of equity for cash	11(a)	6,764,772	4,500,399
Share issue costs		(300,461)	(150,000)
Net cash provided by financing activities		6,464,311	4,350,399
(Decrease) increase in cash		(2,313,771)	(2,593,995)
Cash at beginning of period		10,069,257	12,663,252
Cash at end of period		7,755,486	10,069,257

Supplemental disclosure with respect to cash flows (Note 15)

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

1. Nature of operations

Exploits Discovery Corp. (“Exploits” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on May 28, 2018 as “1165847 B.C. Ltd.” The Company’s head office is at 52 Church St, Suite 206, Toronto, ON, M5C 2B5. The Company is focused on evaluating, acquiring, and exploring mineral properties, in Canada and abroad. The Company’s shares are listed on the Canadian Securities Exchange (the “Exchange” or “CSE”) under the symbol NFLD.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and evaluation programs, will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis.

These consolidated financial statements have been prepared using IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) on a going concern basis which assumes the Company will be able to meet its obligations and continue its operations for the next 12 months. During the 14 months ended December 31, 2023, the Company incurred a net loss and comprehensive loss of \$11,117,568 and had shareholders’ equity of \$27,282,915 and, as of that date, had working capital of \$7,826,403.

The Company’s continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. There is no assurance that the Company will continue to be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. The Company estimates based on its current working capital at December 31, 2023, that it has sufficient funds to operate for the ensuing 12 months.

These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of presentation

These consolidated financial statements are prepared in accordance with IFRS, as issued by the IASB.

These financial statements have been prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The principal accounting policies and critical estimates and judgements used when compiling these consolidated financial statements are set out below.

These consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiaries; Exploits Gold Corp and 1255919 BC Ltd. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. All inter-company transactions and balances are eliminated in full.

These consolidated financial statements were approved by the Board of Directors on April 16, 2024.

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting periods. Actual outcomes could differ from these estimates.

These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate, but are not limited to, the following:

Valuation of Exploration and Evaluation assets

The application of the Company's account policy for exploration and evaluation assets require judgement in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written of in profit or loss in the period when the new information becomes available.

Going concern

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company as previously discussed in Note 1.

Share-based compensation

The Black-Scholes option valuation model used by the Company to determine fair values for stock-based compensation was developed for use in estimating the fair value of freely traded options. This model requires input of highly subjective assumptions including future stock volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect a stock option's fair value estimate.

Deferred taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize 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, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to

utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

Deferred Flow-Through Premium Estimates

Recorded costs of flow-through share premium liabilities reflect premiums received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainties and requires the Company to assess the value of non-flow-through shares. The determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability.

b) Functional and Presentation Currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Company and its' subsidiaries operates (the "functional currency"), which was determined to be the Canadian dollar and is also the Company's presentation currency. Transactions in currencies other than the Canadian dollar are translated into Canadian dollars at exchange rates at the time of the transactions as follows:

- i. Monetary assets and liabilities are translated at rates of exchange at each reporting date with the resulting gains or losses recorded in foreign exchange gain/loss in the profit or loss;
- ii. Non-monetary items are translated at historical exchange rates and are not retranslated; and
- iii. Expense items are translated at the rates of exchange prevailing on the dates of the transactions.

c) Cash

Cash include cash, demand deposits and short-term, highly-liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash equivalents have maturities of three months or less at the date of acquisition. Interest earned is included in interest income on the profit or loss.

d) Marketable Securities

Marketable and other securities consist of equity securities that are listed on a recognized stock exchange, over which the Company does not have control or significant influence. Other securities consist of warrants that are not listed on a recognized exchange. Marketable securities are measured at fair value through profit or loss.

e) Exploration and Evaluation Expenditures

Exploration and evaluation property acquisition costs directly related to specific properties are deferred, commencing on the date that the Company acquires legal rights to explore a property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. Exploration and evaluation expenditures are expensed as incurred, until such time a development decision is made. Exploration costs may include costs such as materials used, surveying costs, drilling costs, payments made to contractors, analysing historical exploration data, geophysical studies, and depreciation on equipment used during the exploration stage. If the properties are put into commercial production, the acquisition and exploration expenditures will be depleted using the units of production basis based upon the proven reserves available. If the properties are sold or abandoned, the acquisition costs will be written off.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties.

f) Income (loss) per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share calculation assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. All of the Company's outstanding stock options and warrants were anti-dilutive for the 14 months ended December 31, 2023 and year ended October 31, 2022.

g) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share purchase warrants are recognized as a deduction from equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

Proceeds received from the issuance of units, consisting of common shares and share purchase warrants, are allocated to common shares and warrants on a residual value method whereby the common shares are valued based on the quoted market price of the common shares at the time the units are issued, and the share purchase warrants are valued using the residual value method.

h) Share-based compensation

Share-based compensation transactions are measured based on the fair value of the share-based compensation issued. The Company grants stock options to certain employees, directors and consultants under the terms of the Company's Stock Option Plan. Each tranche in an option award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires estimates for the expected life of options and stock price volatility which can materially affect the fair value estimate. Volatility and the expected life of options is estimated based on an analysis of factors such as the Company's historical price trends, history of option holder activity, and peer and industry benchmarks for similar transactions.

Share-based compensation transactions with parties other than employees and directors are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

i) Income Taxes

Income tax consists of current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

j) Flow through shares

The Company will, from time-to-time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is deferred and recognized as other income as the expenditure incurs.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this tax is paid or accrued as a financial expense.

k) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

l) Equipment

Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use. Depreciation is provided over the estimated useful lives of the equipment using the following methods: Vehicles 20% straight-line.

m) Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, dismantling operating facilities, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. When applicable for closed sites, changes to estimated costs are recognized immediately in the profit or loss. As at December 31, 2023 and October 31, 2022 the provision was \$nil.

n) Financial Assets and Liabilities

IFRS 9 – Financial instruments (“IFRS 9”) includes guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVTOCI”) based on the business model in which they are held and the characteristics of their contractual cash flows.

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets classified as FVTPL are measured at fair value with changes in fair value on those items recognized in profit or loss. Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI.

The Company’s marketable securities (including warrants) are classified as financial assets measured at FVTPL.

ii. Amortized Cost

Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment.

The Company’s cash, taxes and other receivables and deposits are classified as financial assets measured at amortized cost.

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when assets are not held for trading, and the Company makes an irrevocable election at initial recognition to classify as FVTOCI. All subsequent changes in fair value are recognized in other comprehensive income as a component of shareholders’ equity. The Company did not hold any financial assets measured at FVTOCI as at December 31, 2023 and October 31, 2022.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

EXPLOITS DISCOVERY CORP.
Consolidated Financial Statements
For the 14 Months Ended December 31, 2023, and Year Ended October 31, 2022

i. Amortized cost

Financial liabilities measured at amortized cost, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective yield basis is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

The Company's accounts payable and accrued liabilities approximate their amortized cost.

ii. Financial liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they do not fall into the amortized cost category detailed above.

Transaction costs

Transaction costs associated with financial instruments carried at FVTPL are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Recognition and measurement

Instruments classified as FVTPL are measured at fair value with gains and losses arising from the changes in fair value of the instruments presented in the period they arise. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive loss.

Determination of fair values

The determination of fair value requires judgement and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of securities based on quoted trading prices at the end of the reporting period or the closing trade price on the last day the security traded if there were no trades at the end of the reporting period.

Disposition of marketable securities

Realized gains or losses on the disposal of securities and unrealized gains and losses on securities classified as FVTPL are reflected in profit or loss on the transaction date and are calculated on a weighted average cost basis.

Derecognition of financial liabilities

The Company de-recognizes financial liabilities when the obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial instruments

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

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

The common shares held are measured at fair value and classified as Level 1 and the warrants held are measured using the Black-Scholes model and classified as Level 2. As of December 31, 2023 and October 31, 2022, the fair values of the financial assets and liabilities classified at amortized cost approximated their carrying value due to their short-term nature.

o) Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

p) Leases

The Company determines if an arrangement is a lease at contract inception by evaluating if the contract conveys the right to control the use of identified assets during the period of use. A right-of-use ("ROU") asset represents the Company's right to use an identified asset for the lease term and a lease liability represents the Company's obligation to make payments as set forth in the lease agreement. ROU assets and lease liabilities are included on the Company's statements of financial position and are recognized based on the present value of the future lease payments at the lease commencement date over the expected lease term which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. The interest rate used to

determine the present value of the future lease payments is the Company's incremental borrowing rate at lease inception, because the interest rate implicit in the lease is generally not readily determinable. A ROU asset initially equals the lease liability, adjusted for any lease payments made prior to lease commencement and any lease incentives. All leases are recorded on the statements of financial position except for leases with an initial term of less than 12 months. ROU assets are amortized on a straight-line basis over the shorter of the remaining useful life of the asset and lease term. Amortization expense is recognized in profit or loss.

q) **New Accounting Standards and Amendments**

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 Presentation of financial statements and IFRS Practice Statement 2 Making materiality judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Company's financial statements.

Definition of accounting estimates - amendments to IAS 8

The amendments to IAS 8 Accounting policies, changes in accounting estimates and errors clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards as they are not applicable to the financial statements.

4. **Capital Management**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines its capital to comprise its shareholders' equity, specifically its share capital, warrant and option reserve and accumulated deficit. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration activity and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not exposed to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the 14 months ended December 31, 2023 and year ended October 31, 2022.

5. Financial Risk Factors

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

Risk management is carried out by the Company's management team with guidance from the Company's Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and taxes and other receivables. Cash consists of cash on deposit with banks with high credit worthiness. Included in taxes and other receivables at December 31, 2023 is \$65,065 (October 31, 2022- \$495,089) relating to goods and services taxes receivable from various Canadian government agencies. Management believes that the credit risk concentration with respect to its financial instruments is not significant.

Liquidity Risk

The Company's liquidity risk is the risk that Company has insufficient funds to settle its contractual financial liabilities as they fall due. The Company manages this risk by ensuring sufficient funds are available as contractual cash flows become due.

As at December 31, 2023, the Company had a cash balance of \$7,755,486 as well as marketable securities of \$47,055, to settle current liabilities of \$419,589.

While the Company has been successful in obtaining required funding in the past, there is no assurance that future financings will be available.

Market Risk

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

i. Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to limited interest rate risk, as it only holds cash and does not have any interest-bearing debt.

ii. Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

6. Taxes and Other Receivables

	December 31, 2023	October 31, 2022
Recovery due from vendors	\$ 32,714	\$ 40,956
Overpayment of taxes due from CRA	155,999	-
Sales tax	102,900	495,089
Total	\$ 291,613	\$ 536,045

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7. Accounts payable and Accrued Liabilities

	December 31, 2023	October 31, 2022
Due to vendors	\$ 129,794	\$ 1,339,316
Payroll remittances	-	23,114
Total	\$ 129,794	\$ 1,362,430

8. Equipment

The following tables summarize the Company's equipment carrying values:

	Cost	Accumulated Depreciation	Carrying Value
Vehicles	\$	\$	\$
October 31, 2022	52,090	(15,627)	36,463
December 31, 2023	70,132	(34,096)	36,036

9. Marketable Securities

As at December 31, 2023, the Company's marketable securities were valued at \$47,055 (October 31, 2022 - \$77,775).

The marketable securities comprise of the following individual investments:

Listed Securities	December 31, 2023	October 31, 2022
C2C Gold Corp	\$ 35,000	\$ 15,000
Opawica Exploration Inc.	11,430	57,150
Volatus Capital Corp	625	5,625
Total	\$ 47,055	\$ 77,775

For the 14- months ended December 31, 2023, the Company recorded a total unrealized loss on the investments above of \$30,720 (October 31, 2022 – loss of \$534,450).

10. Exploration and Evaluation Properties

a) Middle Ridge Property

In July 2020, the Company entered into an agreement and acquired a 100% interest in the Middle Ridge property by making a cash payment of \$240,000 and issuing 1,800,000 common shares (recorded at a fair value of \$306,000). The property is subject to a 2% net smelter returns royalty ("NSR") which the Company can repurchase 1% for \$1,000,000.

In July 2020, the Company acquired a 100% interest in additional mineral claims, expanding its Middle Ridge property and True Grit property, by issuing 6,850,000 common shares (with a fair value of \$2,534,500), allocated \$1,596,735 to Middle Ridge Property and \$937,765 to True Grit Property.

During the fiscal year, 2023, the Company decided not to renew the Middle Ridge property claims. As a result of this decision the Company recorded an impairment of \$2,277,042 for the 14 months ended December 31, 2023.

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b) Great Bend Property

In July 2020, the Company staked certain claims in central Newfoundland and Labrador for a total cost of \$105,000, which the Company collectively now refers to as the Great Bend property.

In August 2020, the Company acquired a 100% interest in additional mineral claims by issuing 1,000,000 common shares with a fair value of \$600,000. The Company will issue an additional 1,000,000 common shares upon completion of a pre-feasibility study. During fiscal 2022, a previously recorded obligation to issue shares in relation to the pre-feasibility study was reversed as no report has been completed. These mineral claims are subject to a 2% NSR which the Company can repurchase 1% for \$1,000,000.

In August 2020, the Company acquired a 100% interest in additional mineral claims, expanding its Great Bend Property, by issuing 103,316 common shares with a fair value of \$61,990.

c) True Grit Property

In July 2020, the Company acquired a 100% interest in the True Grit property by issuing 150,000 common shares (with a fair value of \$55,500) and payment of \$14,000. Certain mineral claims are subject to a 2% NSR of which 1% can be repurchased by the Company for \$1,000,000.

In July 2020, the Company acquired a 100% interest in additional mineral claims, expanding its Middle Ridge property and True Grit property, by issuing 6,850,000 common shares with a fair value of \$2,534,500, allocating \$1,596,735 to Middle Ridge Property and \$937,765 to True Grit Property.

In August 2020, the Company acquired a 100% interest in additional mineral claims by issuing 281,081 common shares with a fair value of \$168,648.

During the fiscal year, 2023, the Company decided not to renew the True Grit property claims. As a result of this decision the Company recorded an impairment of \$1,175,913 for the 14 months ended December 31, 2023.

d) Mount Peyton Property

In August 2020, the Company acquired a 100% interest in the Mt. Peyton property by issuing a cash payment of \$2,000 and issuing 500,000 common shares with a fair value of \$185,000. In addition, the Company must issue a further 5,000 common shares on the 6th through 20th anniversary of signing the agreement. Certain claims are subject to a 2% NSR which the Company can repurchase 1% for \$750,000.

In August 2020, the Company acquired a 100% interest in additional mineral claims by issuing 504,426 common shares of the Company with a fair value of \$302,655.

In September 2020, the Company acquired additional claims through its acquisition of Exploits Gold Corp. of which \$5,067,745 is allocated to the Mt. Peyton property.

In September 2021, the Company staked additional claims at a cost of \$144,275.

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e) Gazebow Property

In August 2020, the Company acquired a 100% interest in the Gazebow property by paying \$7,000 and issuing 600,000 common shares with a fair value of \$360,000. These mineral claims are subject to a 2% NSR which the Company can repurchase 1% for \$1,000,000.

In May 2021, the Company entered into a mineral property purchase agreement with Crest Resources Corp. (Crest) to acquire the Gazebow North property and advanced \$200,000 towards the purchase price, however in June 2021, the agreement was terminated.

In August 2022, the Company entered into a new agreement with Crest to acquire the Gazebow North property. To acquire the mineral claim the Company will forgive a receivable balance from Crest of \$44,580 (completed). The Company also staked an additional claim for \$14,300.

f) Dog Bay Property

In August 2020, the Company entered into an option agreement to acquire a 100% interest in the Dog Bay property by making a cash payment of \$30,000 (paid) and issuing 1,000,000 common (issued with a fair value of \$600,000) and must make further payments as follows:

- \$40,000 cash (paid) and 400,000 common shares (issued with a fair value of \$276,000) on the 1st anniversary; and
- \$50,000 cash (paid) and 500,000 common shares on the 2nd anniversary (issued with a fair value of \$75,000, (see Note 11a); and
- \$60,000 cash (paid) and 600,000 common shares on the 3rd anniversary; and (issued with a fair value of \$60,000) (see Note 11a); and
- \$70,000 cash and 1,000,000 common shares on the 4th anniversary; and
- \$10,000 in cash or common shares on the 5th to 10th anniversary; and
- \$50,000 in cash or common shares on the 11th to 20th anniversary.

Fulfillment of the payments up to the 4th anniversary will complete the option and result in the Company acquiring ownership of the property. Payments on or after the 5th anniversary will be in lieu of advance royalty payments. In addition, payments on or after the 5th anniversary may be made in cash or common shares at the discretion of the Company, where the value of any common shares issued will be at the 30 day volume weighted average price.

The property is subject to a 2% NSR which the Company can purchase half (1%) for \$4,000,000; the Company also has a right of first refusal on any sale or transfer of the NSR.

In August 2020, the Company acquired a 100% interest in additional mineral claims by issuing 194,477 common shares with a fair value of \$116,686.

In October 2020, the Company acquired all of the issued and outstanding shares of 1255919 BC Ltd. for 6,200,000 common shares valued at \$3,534,000 which was recorded as obligation to issue shares. The only asset of 1255919 BC Ltd. was a 100% interest in certain claims. In November 2020, the 6,200,000 common shares were issued.

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In March 2021 the Company acquired a 100% interest in additional claims in the 'Hicks-Dog Bay' area, issuing 550,000 common shares with a fair value of \$264,000. These claims are subject to a 2% NSR to one of the underlying vendors, of which 1% may be bought back for \$1,000,000.

g) Jonathan's Pond Property

In September 2020, the Company acquired Jonathan's Pond property through its 100% acquisition of Exploits Gold Corp. of which \$2,533,873 is allocated to the Jonathon's Pond property. In December 2020, the Company acquired additional mineral claims by issuing 6,562,799 common shares to New Found Gold with a fair market value of \$4,856,471 and a 2% NSR.

h) PB Hill 50/50 Staking Agreement

In June 2021, the Company entered into a 50/50 staking syndicate with Crest. The staking syndicate acquired through staking a 100% interested in the PB Hill property at a cost of \$412,816. Pursuant to the terms of the staking agreement, Crest would contribute geological intellectual property for the staking thesis and the

Company would finance the staking costs. Due to current market conditions, a decision was made not to renew the PB Hill claims in July 2022, dissolving the syndicate. Exploits no longer has any interest, partnership or business relationship with Crest Resources.

As a result of the termination of the agreement, the Company recorded an impairment of \$412,815 for the year ended October 31, 2022.

i) Bullseye Property

During September 2022, the Company acquired through staking a 100% interest in certain claims known as the Bullseye Property.

j) Other Property Agreement – Goldspot

In October 2020, the Company entered into a royalty and geological consulting services agreement with GoldSpot Discoveries, whereby GoldSpot Discoveries was granted a 0.5% NSR on certain of the Company's Newfoundland Claims included in the agreement with an option to acquire a further 0.5% NSR for a one-time cash payment of \$1,000,000.

k) Security deposits

During the 14 months ended December 31, 2023, the Company paid \$62,979 (October 31, 2022 - \$1,046,032) in security deposits with the Government Newfoundland and Labrador and received a refund of \$1,329,598. Upon the completion and acceptance of the first year assessment work, the Company expects to recover all remaining security deposits. As at December 31, 2023, there was \$30,500 in deposit owing from the Government of Newfoundland and Labrador.

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The following table summarizes the cumulative exploration and evaluation acquisitions costs the Company has incurred on the various properties:

Property	Jonathan's Pond	Mt. Peyton	Dog Bay	Middle Ridge	Great Bend	True Grit	PB Hill 50/50 Staking	Gazeebow	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, October 31, 2021	7,390,344	5,677,675	4,884,086	2,142,735	\$1,366,990	1,175,913	412,815	367,000	23,417,559
Acquisition Costs – Cash Payments	-	-	50,000	-	-	-	-	58,880	108,880
Acquisition Costs – Share Payments	-	-	75,000	-	-	-	-	-	75,000
Obligation to issue shares	-	-	-	-	(600,000)	-	-	-	(600,000)
Impairment of mineral property	-	-	-	-	-	-	(412,815)	-	(412,815)
Balance, October 31, 2022	7,390,344	5,677,675	5,009,086	2,142,735	766,990	1,175,913	-	425,880	22,588,624
Acquisition Costs – Cash Payments	-	-	60,000	-	-	-	-	-	60,000
Acquisition Costs – Share Payments	-	-	60,000	-	-	-	-	-	60,000
Impairment of mineral property	-	-	-	(2,142,735)	-	(1,175,913)	-	-	(3,318,648)
Balance, December 31, 2023	7,390,344	5,677,675	5,129,086	-	766,990	-	-	425,880	19,389,976

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Exploration and Evaluation Property expenditures:

Period Ended:	December 31, 2023	October 31, 2022
	\$	\$
Airborne surveys	967,361	341,812
Fieldwork and Consumables	301,200	389,552
Claim maintenance	343,859	22,450
Geological consulting	314,008	607,722
Geophysics/Drilling/Assays	3,281,121	2,819,597
Vehicle Costs	81,128	-
Rentals	222,443	77,003
Travel	-	69,188
Wages	1,645,598	622,961
Recovery	(296,538)	(239,900)
Total	6,860,180	4,710,385

11. Shareholder's Equity

a) Share Capital

The Company's authorized share capital includes an unlimited number of Class "A" common shares having no par value. At December 31, 2023, 156,629,845 common shares (October 31, 2022 – 118,344,136) were issued and outstanding. Please refer to the statements of changes in shareholders' equity for movements in share capital during the 14 months ended December 31, 2023, and year ended October 31, 2022.

On December 7, 2023, the Company closed the second tranche of a non-brokered private placement for gross proceeds of \$544,633. The Company issued 4,951,209 flow-through common shares at a price of \$0.11 per share. The Company paid finders fees in the amount of \$29,880. In connection with the issuance, the Company recorded \$24,756 as a flow through liability.

On November 8, 2023 the Company closed the first tranche of a non-brokered private placement financing for gross proceeds of \$1,799,996. The Company issued 16,363,600 flow-through common shares at a price of \$0.11 per common share. As part of the financing the Company paid finders fees of \$107,999. In connection with the flow through common shares, the Company recorded \$327,272 as a flow through liability.

On August 24, 2023, the Company issued 600,000 common shares in relation to the Dog Bay agreement. The fair value of the shares issued was \$60,000 (see Note 10(f)).

On December 20, 2022, the Company closed a non-brokered private placement financing for gross proceeds of \$4,420,143. The Company issued 16,370,899 flow-through common shares at a price of \$0.27 per common share. As part of the financing the Company paid \$150,000 cash commission. In connection with the flow through common shares, the Company recorded \$1,143,963 as a flow through liability.

On September 9, 2022, the Company issued 500,000 common shares in relation to the Dog Bay agreement. The fair value of the shares issued was \$75,000 (see Note 10(f)).

On August 9, 2022, the Company completed a non-brokered private placement for gross proceeds of \$1,500,399. The Company issued 8,335,550 flow-through common shares at a price of \$0.18 per share. In connection with the

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flow through common shares, the Company recorded \$250,067 as a flow through liability.

On December 21, 2021, the Company completed a private placement by issuing 6,000,000 flow-through common shares at \$0.50 for a total of \$3,000,000. The Company incurred cash issuance costs of \$150,000 and issued 300,000 agent's warrants with an exercise price of \$0.50 and for two years in connection with this financing. The fair value of the agents' warrants was \$69,014 using the following Black Scholes option pricing model based on the following assumptions: expected life of 2 years, expected volatility of 106%, interest rate of 0.93% and a dividend yield of 0%. In connection with the flow through common shares, the Company recorded \$360,000 as a flow through obligation.

Flow-through Share Premium

	Total \$
Balance, October 31, 2021	-
Recognition of flow-through premium	610,067
Flow-through premium additions	(610,067)
Balance, October 31, 2022	-
Flow-through premium additions	1,497,991
Recognition of flow-through premium	(1,208,196)
Balance, December 31, 2023	289,795

Escrowed securities

In connection with the Company's Initial Public Offering (IPO), 2,765,000 common shares of the Company were subject to a time release escrow where shares are released in stages over 3 years. On June 3, 2022, the remaining 414,750 escrowed common shares became free trading. No common shares of the Company remain in escrow.

b) Warrants

The following table summarizes warrant movements during the 14 months ended December and year ended October 31, 2022:

	Number of Warrants	Weighted average Exercise Price
Balance, October 31, 2021	29,982,287	\$0.68
Issued	300,000	\$0.50
Balance, October 31, 2022	30,282,287	\$0.68
Expired	(30,282,287)	\$0.68
Balance, December 31, 2023	-	-

c) Stock Options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the Company's issued and outstanding common shares. These options may be granted for a maximum of 10 years from the date of grant and vest as determined by the board of directors.

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On December 7, 2023, the Company granted 3,400,000 stock options to directors and officers with an exercise price of \$0.11 and an expiry of 5 years. The fair value of these options was estimated to be \$255,340 using the following Black Scholes assumptions: expected life of 5 years, expected volatility of 101%, risk free interest rate of 3.46% and an expected dividend yield of 0%. As of December 31, 2023, \$101,006 was recognized as an expense in connection with the vesting of these options.

On November 22, 2022, the Company granted 475,000 stock options to directors and officers with an exercise price of \$0.20 and an expiry of 3 years. The fair value of these options was estimated to be \$60,513 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 105%, risk free interest rate of 3.90% and an expected dividend yield of 0%. As of December 31, 2023, all options had vested.

On October 18, 2022, the Company granted 1,875,000 stock options to directors, officers and consultants with an exercise price of \$0.25 and an expiry of 3 years. The fair value of these options was estimated to be \$168,750 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 107%, risk free interest rate of 4.02% and an expected dividend yield of 0%. As of December 31, 2023, \$107,041 was recognized as an expense in connection with the vesting of these options.

On July 6, 2022, the Company granted 450,000 stock options to directors, officers and consultants with an exercise price of \$0.25 and an expiry of 3 years. The fair value of these options was estimated to be \$36,000 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 100%, risk free interest rate of 3.12% and an expected dividend yield of 0%. As of December 31, 2023, \$17,690 was recognized as an expense in connection with the vesting of these options.

On April 2022, the Company granted 500,000 stock options to directors, officers and consultants with an exercise price of \$0.35 and an expiry of 3 years. The fair value of these options was estimated to be \$80,000 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 100%, risk free interest rate of 2.47% and an expected dividend yield of 0%. As of December 31, 2023, \$19,003 was recognized as an expense in connection with the vesting of these options.

On February 2022, the Company granted 275,000 stock options to directors, officers and consultants with an exercise price of \$0.45 and an expiry of 3 years. The fair value of these options was estimated to be \$71,500 using the following Black Scholes assumptions: expected life of 3 years, expected volatility of 100%, risk free interest rate of 1.43% and an expected dividend yield of 0%. As of December 31, 2023, all options had vested.

During the 14 months ended, December 31, 2023, share-based compensation of \$333,135 was recorded in the statement of loss and comprehensive loss (year ended October 31, 2022 - \$569,319).

The following table summarizes stock option movements during the year ended October 31, 2022 and 14-months ended December 31, 2023:

	Number of Options	Weighted Average Exercise Price
Balance, October 31, 2021	7,705,000	\$ 0.79
Expired	(740,000)	0.59
Granted	3,100,000	0.25
Balance, October 31, 2022	10,065,000	\$ 0.64
Granted	3,875,000	0.12
Cancelled/expired	(5,765,000)	0.83
Balance, December 31, 2023	8,175,000	0.26

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Outstanding stock options at December 31, 2023 were as follows:

Expiry Date	Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price	Remaining Contractual Life (Years)
June 11, 2024	200,000	200,000	1.19	0.45
September 15, 2026	1,000,000	1,000,000	0.62	2.71
February 1, 2025	275,000	275,000	0.45	1.09
April 14, 2025	500,000	500,000	0.35	1.29
July 6, 2025	450,000	337,500	0.25	1.52
October 18, 2025	1,875,000	1,875,000	0.20	1.80
November 22, 2025	475,000	475,000	0.20	1.90
December 7, 2028	3,400,000	1,122,000	0.11	4.94
	8,175,000	5,784,500	\$0.26	3.12

The weighted average exercise price of exercisable options is \$0.32 (year ended October 31, 2022, \$0.73) \

12. Related Party Transactions and Balances

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include the Board of Directors and the executive management team.

Compensation for key management personnel of the Company for the 14-months ended December 31, 2023 and year ended October 31, 2022 was as follows:

	December 31, 2023	October 31, 2022
	\$	\$
Management fees and wages paid to key management and directors	980,773	738,825
Geological consulting paid to a company with common directors	66,950	81,000
Share-based compensation	286,301	489,678
	1,334,024	1,309,503

As at December 31, \$nil (year ended October 31, 2022 - \$94,818) included in accounts payable is due to related parties. These amounts are non-interest bearing, unsecured and due on demand.

As at December 31, \$72,169 (year ended October 31, 2022 - \$nil) of director's fees is included in prepaids.

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13. Income Taxes

A reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2022 – 26.5%) to the effective tax rate is as follows:

	December 31, 2023	October 31, 2022
Net loss before income tax	\$ (11,117,568)	\$ (7,555,277)
Expected income tax recovery	(3,002,000)	(2,040,000)
Change in statutory rate and other	63,000	(81,000)
Non-deductible expenses	-	(6,000)
Permanent differences	(233,000)	-
Share issuance costs	(81,000)	(41,000)
Adjustment to prior year provision versus statutory return	-	498,000
Impact of flow-through shares	1,826,000	1,215,000
Change in tax benefits not recognized	1,427,000	455,000
Total income tax expense (recovery)	\$ -	\$ -
Current income tax	\$ -	\$ -
Deferred tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2023	October 31, 2022
Exploration and evaluation properties	\$ 1,485,000	\$ 621,000
Property and equipment	4,000	4,000
Share issuance costs	126,000	94,000
Marketable securities	31,000	26,000
Non-capital losses	2,982,000	2,456,000
	4,628,000	3,201,000
Unrecognized deferred tax assets	(4,628,000)	(3,201,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2023	Expiry Date Range	2022	Expiry Date Range
Temporary Differences	\$		\$	
Share issue costs	467,000	2024-2028	348,000	2023-2027
Property and equipment	16,000	No expiry date	16,000	No expiry date
Exploration and evaluation assets	5,500,000	No expiry date	2,301,000	No expiry date
Marketable securities	227,000	No expiry date	196,000	No expiry date
Non-capital losses	11,047,000	2037-2043	9,100,000	2037-2042

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. Segmented Information

The Company has one geographic segment, being Canada, and one operating segment, being the acquisition and exploration of exploration and evaluation properties.

15. Supplemental Disclosure with Respect to Cash-Flows

The Company did not pay interest, income tax or dividends, nor did it receive any dividends during the 14-months ended December 31, 2023 and the year ended October 31, 2022.

Significant non-cash financing and investing transactions for the 14-months ended December 31 included:

- Issuance of 600,000 common share with a fair value of \$60,000 in relation to the Dog Bay agreement (see Note 10(f)).

Significant non-cash financing and investing transactions for the year ended October 31, 2022 included:

- Issuance of 500,000 common share with a fair value of \$75,000 in relation to the Dog Bay agreement (see Note 10(f)).
- Issuance of 300,000 finders' warrants valued at \$69,014 included in share issue costs.
- Exploration and evaluation asset acquisition costs of \$44,580 applied against accounts receivable.
- Reversed obligation to issue shares of \$600,000 against exploration and evaluation properties.