Starlo Ventures Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Starlo Ventures Ltd.

Opinion

We have audited the consolidated financial statements of Starlo Ventures Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of $199,331 during the year ended December 31, 2023 and, as of that date, the Company had an accumulated deficit of 419,770. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

April 24, 2024

STARLO VENTURES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Note		December 31, 2023		December 31, 2022
ASSETS					
Current assets					
Cash		$	57,019	$	322,742
Receivables			22,365		6,116
Total current assets			79,384		328,858
Non-current assets					
Exploration and evaluation asset	4		2,451		2,451
Total assets		$	81,835	$	331,309
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	8	$	19,436		69,235
Flow-through share premium liability	7		-		5,344
Total liabilities			19,436		74,579
SHAREHOLDERS' EQUITY					
Share capital	5(b)		392,109		359,175
Special warrants	5(b)		-		27,934
Stock option reserve	5(c)		43,685		43,685
Warrant reserve	6		46,375		46,375
Deficit			(419,770)		(220.439)
Total shareholders' equity			62,399		256,730
Total liabilities and shareholders' equity		$	81,835	$	331,309

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on April 24, 2024

"Craig Rollins"
Director

"Christopher Cooper"
Director

STARLO VENTURES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Note	**Year ended December 31, 2023**	**Year ended December 31, 2022**
Expenses			
Exploration expenses	4, 5(b)	$ 50,272	$ 74,085
General and administrative		50,818	18,031
Management fees	8	36,000	33,000
Professional Fees	8	67,585	63,994
Share-based compensation	5(c)	-	43,685
Loss Before Other Item		204,675	232,795
Other Item			
Recovery of premium liability on flow-through shares	7	(5,344)	(12,356)
Loss and Comprehensive Loss		**$ 199,331**	**$ 220,439**
Loss per share			
Basic and diluted		**$ 0.01**	**$ 0.02**
Weighted average number of common shares outstanding (basic and diluted)		**13,936,534**	**9,326,808**

STARLO VENTURES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Note	Common shares Number	Share capital	Special Warrants	Warrants reserve	Stock option reserve	Deficit	Total
Balance, December 31, 2021		**1**	**$ 1**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1**
Shares cancelled	5	(1)						(1)
Shares issued for private placement	5(b)	9,540,000	238,500	-	-	-	-	238,500
Units issued for private placement	5(b)	3,620,000	116,925	-	46,375	-	-	163,300
Special warrants issued, net	5(b)	-	-	27,934	-	-	-	27,934
Shares issued for services	5(b)	75,000	3,750	-	-	-	-	3,750
Share-based compensation	5(c)	-	-	-	-	43,685	-	43,685
Loss for the year		-	-	-	-	-	(220,439)	(220,439)
Balance, December 31, 2022		**13,235,000**	**$ 359,175**	**$ 27,934**	**$ 46,375**	**$ 43,685**	**$ (220,439)**	**$ 256,730**
Warrant conversion on listing	5(b)	812,000	27,934	(27,934)	-	-	-	-
Shares issued for services	5(b)	100,000	5,000	-	-	-	-	5,000
Loss for the year		-	-	-	-	-	(199,331)	(199,331)
Balance, December 31, 2023		**14,147,000**	**$ 392,109**	**$ -**	**$ 46,375**	**$ 43,685**	**$ (419,770)**	**$ 62,399**

STARLO VENTURES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Operating Activities		
Loss for the year	$ **(199,331)**	$ **(220,439)**
Adjustments to reconcile loss to net cash used in operating activities:		
Shares issued for services	**5,000**	**3,750**
Share-based compensation	**-**	**43,685**
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	**(49,799)**	**69,234**
Accounts receivable	**(16,249)**	**(6,116)**
Premium liability on flow-through shares	**(5,344)**	**5,344**
Cash Used in Operating Activities	**(265,723)**	**(104,542)**
Financing Activities		
Issuance of units	**-**	**163,300**
Issuance of common shares	**-**	**238,500**
Issuance of special warrants		**27,934**
Cash Provided by Financing Activities	**-**	**429,734**
Investing Activities		
Acquisition of exploration and evaluation asset	**-**	**(2,451)**
Cash Used in Investing Activities	**-**	**(2,451)**
Increase (decrease) in cash for the year	**(265,723)**	**322,741**
Cash - beginning of year	**322,742**	**1**
Cash – end of year	$ **57,019**	$ **322,742**

Non-cash investing and financing activities (Note 11)

1. Nature of operations and going concern

Starlo Ventures Ltd. (the "Company" or "Starlo") was incorporated under the British Columbia Business Corporations Act on November 26, 2021. Starlo has one wholly-owned subsidiary, 1335137 B.C. Ltd which is consolidated with the Company in these statements. The Company is listed on the Canadian Securities Exchange (the "Exchange") under the symbol "SLO". The Company is an exploration stage mining company.

These consolidated financial statements (the "Financial Statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Starlo is an exploration stage mining company which incurred a loss of $199,331 for the year ended December 31, 2023, and as at December 31, 2023 had an accumulated deficit of $419,770. The Company is expected to incur operating losses for the foreseeable future. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company estimates it has sufficient funds to operate for the next 12 months. These material uncertainties may cash significant doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments that may be necessary if the going concern principal is not appropriate.

The head office and principal address of the Company is located at Suite 3200, 733 Seymour Street, Vancouver, BC, V6B 5J3.

2. Basis of presentation and material accounting policies

Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies set out in this note have been applied in preparing the consolidated financial statements for the years ended December 31, 2023 and 2022. These financial statements were approved and authorized for issuance by the Board of Directors on April 24, 2024.

Basis of Presentation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for financial instruments classified as fair value through profit and loss ("FVTPL"), which are stated at their fair value. The financial statements are presented in Canadian Dollars, which is also the Company's functional currency, including its subsidiary, unless otherwise noted.

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiary. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

Name of Subsidiary	Country of Incorporation	Ownership Interest
1135137 B.C. Ltd.	Canada	100%

*Incorporated on November 26, 2021.

New accounting policies

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2023.

i. Classification of liabilities as current or non-current (amendment to IAS 1);
ii. Disclosure of accounting policy amendments (amendment to IAS 1);
iii. Clarification of the initial recognition exemption of offsetting temporary differences (amendment to IAS 12); and
iv. Annual improvement to IFRS standards – 2018 to 2020.

With the exception of changing the Company's accounting policies form "significant" to "material", the Company has reviewed all other updates and determined that many of these updates are not applicable to or consequential to the Company and have been excluded from discussion within these material accounting policies.

Material accounting policy information

Cash

Cash consists of cash held on deposit with banks.

Exploration and evaluation assets

Acquisition costs of mineral claims are initially capitalized as exploration and evaluation assets as incurred and include cash consideration and the fair market value of shares issued on the acquisition of mineral properties. Exploration and pre-extraction expenditures are expensed as incurred until such time as technical feasibility and commercial viability of the mineral properties is demonstrable, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

When entitled, the Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the exploration and evaluation expenditures incurred that give risk to the credits. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can ben used to reduce future taxable income, a deferred income tax benefit is recognized.

When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. 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 units or "CGUs").

If an indicator of impairment exists, the recoverable amount of the asset or CGU is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are recorded in profit or loss.

At present, the Company classifies all financial assets as held at amortized cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an instrument that is subsequently measured at FVTPL is recognized in profit or loss.

Financial liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are recognized in profit or loss.

Other non-derivative financial liabilities, are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

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. Upon 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 (initially recognized as a liability) and ii) share capital. Upon eligible exploration expenses being incurred, the premium is then amortized pro-rata to profit or loss. Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years.

Income (loss) per share

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. The computation of diluted income (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on income (loss) per share. The assumed proceeds upon the exercise of stock options and warrants are assumed to be used to purchase common shares at the average market price during the period.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is provided for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company's accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. A valuation allowance is recorded against any deferred tax asset if it is not probable to be utilized against future taxable profit.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

Share capital and share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

When the Company issues shares with a warrant attached, the Company allocates the transaction price proportionately based on the relative fair value of each instrument, being the common share and the warrant, at grant date. The fair value of warrants is determined by using the Black-Scholes option pricing model. The value assigned to the common share is recorded in share capital and the value assigned to the warrants is recorded within the reserves. If and when the warrants are exercised, the applicable original amounts of reserve for warrants are transferred to issued capital. The proceeds generated from the payment of the exercise price are also allocated to issued capital.

Share-based compensation

The fair value of the share-based compensation awards for stock options and compensation warrants is determined at the date of grant using the Black-Scholes option pricing model. The fair value of the award is charged to profit or loss (unless they are considered to be share issuance costs in which case they are booked as a reduction to share capital) and credited to the Share-based compensation and warrant reserve (within Shareholders' Equity on the Statement of Financial Position) rateably over the vesting period, after adjusting for the number of awards that are expected to vest. Expenses recognized for forfeited unvested awards are reversed. For awards that are cancelled, any expense not yet recognized is recognized immediately in profit or loss. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period.

Equity-based compensation issued to non-employees for services performed is recorded at the fair value of the services performed unless this value cannot be determined reliably in which case the compensation issued is valued with reference to the fair value of the equity instruments granted. This compensation is recorded on the date the services are performed.

Accounting pronouncements not yet adopted

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are not expected to have a significant impact on the Company's financial statements.

Expressed in Canadian dollars unless otherwise stated

3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments and estimates have been applied in these financial statements:

Judgments

- The Company's ability to continue as a going concern involves critical judgement based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1.

- Management makes judgments related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

Estimates

- In calculating the fair value of the share-based compensation and warrants, management makes estimates related to the Company's share price volatility and expected life of the instruments. To the extent that these estimates are not correct, the value of these instruments within equity may differ.

- In calculating the fair value of the flow-through shares and warrants, management makes estimates related to the Company's share price volatility and expected life of the instruments. To the extent that these estimates are not correct, the value of these instruments within equity may differ.

- The assessment of indicators of impairment for the mineral property and the related determination of the recoverable amount and write-down of the property where applicable. To the extent that these estimates are not correct, the value of the mineral properties may differ.

4. Exploration and Evaluation Asset

The Company's exploration and evaluation asset consists of 19 mineral tenures in British Columbia that were staked on January 24, 2022 for $2,451 which make-up the Mt. Richards Property.

The breakdown of exploration expenses incurred is as follows:

	For the year ended December 31, 2023 $	**For the year ended December 31, 2022 $**
Exploration expenditures		
Sampling and other exploration	38,825	39,011
Field expenses	11,447	35,074
	50,272	74,085

5. Share Capital and Reserves

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

Share transactions during the year ended December 31, 2023

On March 20, 2023, the Company issued 100,000 common shares with a fair value of $5,000 to C.J. Greig Holdings Ltd., in consideration of and upon the successful listing of the Company on the Exchange.

Share transactions during the year ended December 31, 2022

On December 20, 2022, the Company issued 75,000 common shares with a fair value of $3,750 to C.J. Greig Holdings Ltd., in consideration of and upon the successful completion of National Instrument 43 101 – Standards of Disclosure for Mineral Projects compliant technical report.

On May 19, 2022, the Company issued 1,620,000 units at $0.05 per unit (each unit consisting of one common share of the Company and one warrant) (the "NFT Private Placement"), for proceeds of $81,000. Each warrant entitles the holder to purchase one common share at a price of $0.10 per share for a period of five years. No costs were incurred in connection with this financing.

On May 19, 2022, the Company also closed a financing issuing 2,000,000 units at $0.05 per unit (each unit consisting of one flow-through share of the Company and one half warrant)(the "FT Private Placement"), for proceeds of $100,000. Each whole warrant issued as part of the unit entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of five years from the date of the financing. No costs were incurred in connection with this financing.

On April 4, 2022, the Company closed a private placement financing issuing 9,540,000 shares at $0.025 per share for proceeds of $238,500. No costs were incurred in connection with this financing.

On April 4, 2022, the Company repurchased and cancelled one common share for gross proceeds of $1.

Special Warrants

During the year ended December 31, 2022, the Company issued a total of 612,000 special warrants (the "Special Warrants") at $0.05 for gross proceeds of $30,600. Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued common share of the Company.

The Special Warrants converted into shares on a 1:1 basis on March 27, 2023 commensurate with the listing of the Company on the Exchange.

In connection with the issuance of Special Warrants, the Company paid cash warrant issuance costs of $2,666, which included a portal fee of 5% of the aggregate amount of gross proceeds, as well as payment processing fees. The Company also issued 200,000 compensation warrants, which converted on March 27, 2023. The compensation warrants have been assigned a fair value of $10,000 using the black-scholes valuation model and have been capitalized as financing costs against the special warrants.

As at December 31, 2023, there are no Special Warrants or compensation warrants outstanding.

Expressed in Canadian dollars unless otherwise stated

c) Stock Options

Pursuant to the Company's stock option plan (the "Stock Option Plan"), the Company's board of directors may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase common shares, provided that the number of common shares served for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 5 years from the date of the grant. The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the board of directors when granted, but shall not be less than the market price.

On November 8, 2022, the Company issued 1,315,000 stock options with an exercise price of $0.10. All stock options issued vested upon grant and expire five years from the date of grant.

The following weighted average assumptions were used to estimate the grant date fair value using the Black Scholes model:

	November 8, 2022
Expected dividend yield	0.00%
Expected stock price volatility	100%
Risk-free interest rate	3.64%
Expected life of the options	5.00 years
Grant date fair value per option	$0.033

The fair value share-based payment recognized by the Company during the year ended December 31, 2023 was $nil (2022 - $43,685).

A continuity schedule of the stock options as of December 31, 2023 is as follows:

	Number of Options	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life (years)**
Outstanding, December 31, 2021	-	$ -	-
Issued	1,315,000	0.10	3.86
Outstanding, December 31, 2022 and 2023	1,315,000	$ 0.10	3.86

As at December 31, 2023, the Company had the following stock options outstanding and exercisable:

Date Issued	**Expiry Date**	**Exercise Price**	**Number of Options Outstanding**
November 8, 2022	November 8, 2027	$0.10	1,315,000

Expressed in Canadian dollars unless otherwise stated

6. Warrants

Pursuant to the completion of the NFT Private Placement, on May 19, 2022, the Company issued 1,620,000 transferable warrants with an exercise price of $0.10 per share for a period of five years from the date of closing the financing (note 5 (b)). All warrants vested after a four-month period and are exercisable on September 20, 2022. The warrants were assigned a fair value of $28,674 upon issuance which was recorded within the Warrants reserve.

Pursuant to the completion of the FT Private Placement, on May 19, 2022, the Company issued 1,000,000 non-transferable warrants with an exercise price of $0.10 per share for a period of five years from the date of closing the financing (note 5 (b)). All warrants vested after a four-month period and are exercisable on September 20, 2022. The warrants were assigned a fair value of $17,700 upon issuance.

The following weighted average assumptions were used to estimate the grant date fair value of these warrants using the Black Scholes model:

	May 19, 2022
Expected dividend yield	0.00%
Expected stock price volatility	100%
Risk-free interest rate	2.79%
Expected life of the warrants	5.00 years
Grant date fair value per warrant	$0.014

The warrants outstanding as at December 31, 2023 had a remaining average life of 3.38 years.

A continuity schedule of the warrants as of December 31, 2023 is as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Outstanding, December 31, 2021	-	$ -
Issued	2,620,000	0.10
Outstanding, December 31, 2022 and 2023	2,620,000	$0.10

As at December 31, 2023, the Company had the following warrants outstanding and exercisable:

Date Issued	**Expiry Date**	**Exercise Price**	**Number of Warrants Outstanding**
May 19, 2022	May 19, 2027	$0.10	2,620,000

Expressed in Canadian dollars unless otherwise stated

7. Flow-through shares

Other liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances:

	Year ended December 31, 2023 $	**Year ended December 31, 2022 $**
Balance, beginning	5,344	17,700
Settlement of flow-through share liability by incurring expenditures	(5,344)	(12,356)
Balance, ending	-	5,344

On May 19, 2022, the Company issued 2,000,000 flow-through units at a price of $0.05 per share for gross proceeds of $100,000. The premium paid by investors on the flow-through shares was calculated as $17,700. Accordingly, $17,700 was recorded as other liabilities. The flow-through premium is derecognized through other income as the qualifying expenditures are incurred.

At December 31, 2023, the Company recognized $5,344 (2022 - $12,356) in other income relating to the recovery of the flow through premium liability from the commitment to incur exploration and evaluation expenditures relating to its May 2022 flow-through financing which as at December 31, 2023 have been fully met.

8. Related party transactions

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Related parties of the Company include the members of the Board of Directors, officers of the Company, close family members of these individuals, and any companies controlled by these individuals. Core Connections Ltd ("Core") is considered a related party of the Company as it is controlled by the Chief Executive Officer and a director of the Company.

On April 1, 2022, the Company entered into an administrative services agreement with Core to pay for rent and other administrative services. During the year ended December 31, 2023, the Company paid or accrued $36,000 respectively to Core under the agreement (2022 - $33,000), these expenses are included under management fees in the statement of loss and comprehensive loss. As at December 31, 2023 accounts payable and accrued liabilities includes $nil (2022 - $3,150) owing to Core.

During the year ended December 31, 2023, the Company paid or accrued legal fees of $18,500 (2022 - $8,500) to a director of the company, these expenses are included under professional fees in the statement of loss and comprehensive loss. As at December 31, 2023 accounts payable and accrued liabilities includes $nil (2022 - $3,675) owing to a director for legal fees.

During the year ended December 31, 2023, the Company paid or accrued CFO fees of $17,500 (2022 - $9,700) to a company controlled by a significant shareholder of the Company, these expenses are included in general and administrative expenses in the statement of loss and comprehensive loss. As at December 31, 2023 accounts payable and accrued liabilities includes $3,150 (December 31, 2022 - $4,200) owing for CFO services.

During the year ended December 31, 2022, officers, directors, and a Company controlled by an officer and director subscribed to 5,760,000 common shares of the Company for aggregate proceeds of $167,000.

Expressed in Canadian dollars unless otherwise stated

During the year ended December 31, 2022, the Company granted 865,000 stock options to officers and directors of the Company with a fair value of $28,736.

During the year ended December 31, 2022, a significant shareholder of the Company subscribed to 5,200,000 common shares for proceeds of $145,000 and was granted 425,000 stock options with a fair value of $14,127.

Compensation of key management personnel:

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company considers its Board of Directors, as well as the CEO and CFO to be key management personnel.

During the years ended December 31, 2023 and 2022 the Company's compensation cost for key management personnel was as follows:

	Year ended December 31, 2023 $	**Year ended December 31, 2022 $**
Management fees	53,500	42.700
Professional fees	18,500	8,500
Share based compensation	-	28,736
Total	72,000	79,936

9. Financial Instruments

As at December 31, 2023, the Company's financial instruments consist of cash, accounts receivable and accounts payable. The Company classifies cash and receivables as financial assets held at amortized cost. The Company classifies accounts payable as financial liabilities, and these are held at amortized cost. The fair value of all of the Company's financial instruments approximates their carrying value due to their short-term nature.

The Company's financial instruments consists of cash which is considered to be Level 1 and, receivables and accounts payable which are considered to be Level 2 within the fair value hierarchy (as discussed below).

Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the year ended December 31, 2023.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial assets are cash. The Company holds it cash in a bank account with a highly rated Canadian financial institution, therefore minimizing the Company's credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has sufficient funds as of December 31, 2023 to cover its liabilities. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation and until December 31, 2023; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

10. Capital management

In the management of capital, the Company includes consideration of the components of shareholders' equity as well as cash and other working capital with a view to the Company's current and future needs. The Company currently manager its capital structure and adjusts it, based on cash resources expected to be available to support its operations including the exploration and development of its mineral property interests. Management has not established a quantitative capital structure, but does review on a regular basis the stage of development of the Company and its needs.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements except the rules of the Canadian Securities Exchange with which it is presently in compliance.

11. Supplemental disclosure with respect to cash flows

During the year ended December 31, 2023 and 2022, the Company incurred the following non-cash financing and investing transactions that are not reflected in the statement of cash flows:

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Shared issued upon conversion of special warrants	27,934	-
Shares issued for services	5,000	3,750

Expressed in Canadian dollars unless otherwise stated

12. Income tax

Reconciliation of Effective Tax Rate

The Company is subject to Canadian federal and provincial tax for the estimated assessable profit at a rate of 27%. The Company had no assessable profit for all periods disclosed.

The tax expense at statutory rates for the Company can be reconciled to the reported loss for the year per the Statement of Loss and Comprehensive Loss as follows:

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Loss before income taxes	(199,331)	(220,439)
Statutory income tax rate	27%	27%
Income tax recovery	(54,000)	(60,000)
Impact of flow through shares	8,000	20,000
Non-deductible expenses and other	(28,000)	13,000
Share issue cost	1,000	(1,000)
Change in unrecognized deductible temporary differences	73,000	28,000
Total income tax expense	-	-

Deferred Income Taxes

As at December 31, 2023, the Company's unrecognized deferred income tax assets were as follows:

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Exploration and evaluation asset	26,000	(1,000)
Share issuance costs	-	1,000
Non-capital losses	75,000	28,000
Unrecognized deferred income tax assets	(101,000)	(28,000)
Net Deferred tax assets	-	-

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As the Company has no operations, enough evidence is not yet available to determine if the Company will be able to recognize its deferred tax assets. None of the deferred tax assets have therefore been recognized in the Company's Statement of Financial Position.

The Company has tax loss carry forwards of approximately $279,000 to reduce taxable income in future periods which expire in 2043.