DESERT GOLD VENTURES INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in US Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Desert Gold Ventures Inc.

Opinion

We have audited the consolidated financial statements of Desert Gold Ventures Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows, and consolidated statements of change in shareholder's equity (deficiency) for the years ended, and notes to the consolidated statements, including a summary of significant accounting policies (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 ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 in the financial statements, which indicates that the Company incurred significant operating losses since inception and has an accumulated deficit of $55,625,463 as at December 31, 2023. For the year ended December 31, 2023, the Company incurred a net loss and comprehensive loss of $984,115. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not and will 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 GAAS 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 GAAS, 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.

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

/s/ Reliant CPA

Chartered Professional Accountants
Licensed Public Accountants
Vancouver, BC
April 29, 2024

DESERT GOLD VENTURES INC.
Consolidated Statements of Financial Position
(Expressed In US Dollars)

As at	Note	December 31, 2023	December 31, 2022
		$	$
ASSETS			
Current assets			
Cash		279,575	1,220,393
Marketable securities	7	-	55,845
Other receivables	3	10,829	92,616
Prepaid		7,405	9,030
		297,809	1,377,884
Non-current assets			
Equipment		1,275	3,767
Total assets		299,084	1,381,651
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4, 9	124,114	539,698
		124,114	539,698
EQUITY (DEFICIENCY)			
Share capital	8	36,028,990	35,816,013
Accumulated other comprehensive income		282,862	282,048
Reserves		19,488,581	19,384,426
Deficit		(55,625,463)	(54,640,534)
		174,970	841,953
Total liabilities and shareholders' equity		299,084	1,381,651

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
SUBSEQUENT EVENTS (Note 13)

Approved for issuance by the board of directors on April 29, 2024

"Sonny Janda"
Director - Sonny Janda

"Jared Scharf"
Director - Jared Scharf

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

DESERT GOLD VENTURES INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed In US Dollars)

Years Ended December 31,		**2023**	**2022**
	Note	$	$
Operating expenses			
Amortization		2,550	3,825
Investors and shareholders relationship		83,331	161,607
Office, occupancy, and administration		104,042	96,943
Professional and consulting fees	9	320,758	506,358
Prospecting rights and exploration	6, 9	446,931	1,909,622
Share-based compensation	8, 9	104,155	280
Transfer agent and listing fees		38,014	52,769
Loss before other items:		(1,099,781)	(2,731,404)
Change in fair value of marketable securities	7	-	(36,323)
Finance fees and interest		-	(18,855)
Foreign exchange gain		2,997	3,101
Gain on extinguishment of accounts payable		57,487	-
Gain on disposition of marketable securities	7	13,263	-
Other income		26,385	-
Recovery (provision) for receivables	3	14,720	(14,720)
Net loss		(984,929)	(2,798,201)
Other comprehensive loss:			
Foreign exchange translation loss		814	(47,888)
Total comprehensive loss		(984,115)	(2,846,089)
Weighted average number of outstanding shares, basic and diluted		159,466,386	159,329,554
Loss per share, basic and diluted		(0.01)	(0.02)

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

DESERT GOLD VENTURES INC.
Consolidated statements of cash flows
(Expressed in US dollars)

Years ended December 31,	**2023**	**2022**
	$	$
OPERATING ACTIVITIES		
Loss for the year	(984,929)	(2,798,201)
Adjustments for non-cash items:		
Amortization	2,550	3,825
Foreign exchange gain	(2,997)	(3,101)
Change in fair value of marketable securities	-	36,323
Gain on disposition of marketable securities	(13,263)	-
Gain on extinguishment of accounts payable	(57,487)	-
Provision for receivable	-	14,720
Mineral expenditure paid by the Company's shares	-	23,439
Consulting services paid by the Company's shares	-	8,838
Share-based compensation	104,155	280
Changes in non-cash working capital items:		
Other receivables	81,787	(25,283)
Prepaid	1,625	(9,030)
Accounts payable and accrued liabilities	(358,097)	62,761
Cash used in operating activities	(1,226,656)	(2,685,429)
INVESTING ACTIVITIES		
Proceeds received from disposition of marketable securities	69,108	-
Cash provided by investing activities	69,108	-
FINANCING ACTIVITIES		
Share subscriptions received	212,977	110,648
Net proceeds from issuance of security units	-	2,603,096
Cash provided by financing activities	212,977	2,713,744
Effect of foreign exchange rate on cash	3,753	(24,586)
Increase (decrease) in cash	(940,818)	3,729
Cash, beginning of year	1,220,393	1,216,664
Cash, end of year	279,575	1,220,393
SUPPLEMENTAL CASH FLOW INFORMATION		
Units issued for accounts payable settlement (Note 9)	-	$ 15,370

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

DESERT GOLD VENTURES INC.
Consolidated statements of change in shareholders' equity (deficiency)
(Expressed in US dollars)

			Reserves					
	Number	Amount $	Others $	Warrants $	Option $	Accumulated other comprehensive income $	Deficit $	Total $
Balance, December 31, 2021	150,181,868	33,502,244	13,755,601	1,358,842	3,822,081	329,936	(51,842,333)	926,371
Private placement	44,533,804	2,368,451	-	447,622	-	-	-	2,816,073
Share issuance for mineral interest	300,000	23,439	-	-	-	-	-	23,439
Share issuance for services	165,000	8,838	-	-	-	-	-	8,838
Shares issued for accounts payable settlement	285,714	15,370	-	-	-	-	-	15,370
Receipt of subscription receivable from 2021	-	110,648	-	-	-	-	-	110,648
Share subscription receivable for 2022	-	(212,977)	-	-	-	-	-	(212,977)
Share-based compensation	-	-	-	-	280	-	-	280
Foreign currency translation adjustment	-	-	-	-	-	(47,888)	-	(47,888)
Loss for the year	-	-	-	-	-	-	(2,798,201)	(2,798,201)
Balance, December 31, 2022	195,466,386	35,816,013	13,755,601	1,806,464	3,822,361	282,048	(54,640,534)	841,953
Receipt of subscription receivable from 2022	-	212,977	-	-	-	-	-	212,977
Share-based compensation	-	-	-	-	104,155	-	-	104,155
Foreign currency translation adjustment	-	-	-	-	-	814	-	814
Loss for the year	-	-	-	-	-	-	(984,929)	(984,929)
Balance, December 31, 2023	195,466,386	36,028,990	13,755,601	1,806,464	3,926,516	282,862	(55,625,463)	174,970

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Desert Gold Ventures Inc. (the "Company") is an exploration stage company and is engaged in the acquisition, exploration and development of mineral resource properties. The principal business of the Company is conducting mineral property exploration in Mali. The Company's shares are traded on the TSX Venture Exchange (the "TSX-V") under the symbol DAU.

The head office and principal address is located at 9648-128th Street, Suite 210, Surrey, BC, V3T 2X9.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not include adjustments that would be necessary if the going concern assumption is not appropriate.

The Company had recurring losses and did not have revenue since inception. For and as at the year ended December 31, 2023, the Company had a comprehensive loss of $984,115 and an accumulated deficit of $55,625,463. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuing operations and its ability to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and/or to seek joint venture partners. Although the Company has been successful at raising capital in the past, there is no assurance that the Company will be able to raise adequate financing on terms that are acceptable to the Company, if at all. Based on its current plans, budgeted expenditures, and cash requirements, management believes the Company would need to raise additional capital to accomplish its business objectives thereafter.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company for the year ended December 31, 2023 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2024.

These consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated. 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. Subsidiaries of the Company are as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation and presentation

These consolidated financial statements have been prepared on an historical cost basis, modified where applicable. These statements have been prepared using the accrual basis of accounting except for cash flow information, are presented in US dollars, unless otherwise specified.

Name	Country of incorporation	Ownership percentage December 31, 2023	Ownership percentage December 31, 2022
TransAfrika Belgique S.A. (dormant)	Belgium	100%	100%
Desert Gold Ltd.	Rwanda	100%	100%
TransAfrika Senegal S.A. (dormant)	Senegal	100%	100%
GoldBanks Nevada Ventures Inc. (dormant)	USA	100%	100%
Ashanti Gold Corp. (dormant)	Canada	100%	100%
Ashanti Gold Mali S.A.R.L.(dormant)	Mali	100%	100%
Desert Gold Mali S.A.R.L.	Mali	100%	100%
Legend Mali Holdings (BVI) Inc.(dormant)	BVI	100%	100%

The Company has various dormant subsidiaries that hold the interests in resources properties.

Functional and reporting currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollar. The functional currency of the Company and its Canadian subsidiary Ashanti Gold Corp. is the Canadian dollar. The functional currency of other subsidiaries is the United States dollar, except for Desert Gold Mali S.A.R.L, which assesses CFA Franc to be its functional currency.

<u>Transactions and balances:</u>

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

<u>Foreign operations:</u>

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional and Reporting Currency

Foreign operations (continued)

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income (loss) and recorded in the Company's accumulated other comprehensive income (loss) reserve in equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Significant Judgements

The most significant judgments in applying the Company's accounting policies in these consolidated financial statements are:

Title to Mineral Property Interests
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1) and the classification of its financial instruments.

Significant Estimates
Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:

Recoverability and measurement of deferred tax assets
In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Assumptions used to assess share-based compensation
In assessing the fair value of stock options granted and vested, the Company applies the Black-Scholes Option pricing model. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Provision

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision (continued)

The unwinding of the discount is recognized as a finance cost. The Company has not recorded any provisions for any of the financial years presented.

Mining exploration

Mineral property acquisition and exploration costs are expensed as incurred. When a decision is taken that a commercially viable mineral deposit has been established all further pre-production expenditures including evaluation costs are capitalized. Cash flows associated with exploration and evaluation expenditures are classified as operating activities in the statement of cash flows.

Impairment

The carrying amount of the Company's non-financial assets (which include equipment) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in net loss.

Amortization
Amortization in profit or loss is provided on a straight-line basis over the estimated useful life of the assets as follows:

- Drilling and exploration equipment 20%
- Office equipment 33%
- Furniture and fixtures 33%

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

Financial assets
On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and other receivables are measured at amortized cost and marketable securities are measured at FVTPL.

Impairment of financial assets
IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables. An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities
Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) financial liabilities at amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Accounts payable and accrued liabilities are classified as and carried on the statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss. The Company does not have any derivative financial assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value of warrants

Warrants issued in unit private placements are valued using the residual method. Warrants issued as compensation from financings are valued using the Black–Scholes Option Pricing model. When warrants are issued, the fair value is recorded in the warrant reserve, with the corresponding entry to share capital. When warrants are exercised, their fair value is removed from the warrant reserve account and recorded as share capital.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:
Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related parties

For the purpose of these financial statements parties are considered to be related to the Company if they have the ability to directly or indirectly control the Company or exercise significant influence over the Company in making financial and operating decisions or vice versa or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

(Expressed in US dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments

The Company operates a stock option plan. Share-based payments to directors, officers, employees and consultants are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

3. OTHER RECEIVABLES

The Company's other receivables consisted of the following:

	December 31, 2023	December 31, 2022
	$	$
Receivable from Indigo (i)	-	65,733
GST recoverable (ii)	10,829	26,883
	10,829	92,616

(i) The Company received the full amount of $65,733 from Indigo in May 2023.
(ii) During 2022, the Company recorded a GST write off of $14,720 which was fully recovered in 2023.

4. ACCOUNT PAYABLES AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consisted of the following:

	December 31, 2023	December 31, 2022
	$	$
Trade payable	39,642	391,665
Accrued liabilities	84,472	148,033
	124,114	539,698

5. NOTE PAYABLE

On September 30, 2022, the Company borrowed $145,911 (CAD$200,000) from an arm's length entity by issuance of a promissory note. This promissory note is unsecured, has an interest of 15% per annum, and is due on December 31, 2022. The Company paid finance fees of $12,296 (CAD$16,000) to the lender during the year ended December 31, 2022.

As at December 31, 2022, the Company has fully repaid the principal and accrued interest of this note payable. The outstanding balance of this note payable as at December 31, 2023 is $Nil (December 31, 2022 - $Nil).

6. EXPLORATION AND EVALUATION PROPERTIES

The Company is an exploration stage Company which holds various mineral property interests.

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 conveyancing history characteristic of resource properties. The Company will continue to conduct exploration on all mineral properties in Mail for maintaining compliance of these resources properties when renewal comes due. Management believes it will have fulfilled the terms of the permit expenditures by the end of the three-year term and that they will be renewed.

MALI – SMSZ Projects

In Mali, the Company is operating the Senegal Mali Shear Zone Project ("SMSZ").

SMSZ: This Project consists of i) Farabantourou Project; ii) 100% interest of the Farikounda Project (acquired in 2019 through the acquisition of Ashanti Gold Corp.); iii) an option agreement with Mineral Management Consulting ("MMC") ("MMC Option") to acquire certain concessions; iv) two-concession block (the "Sebessounkoto Sud" Project and "Djelimangara" Project, collectively the "Altus Permits"); v) an option agreement ("SUD Option") for the acquisition of a 95% interest in Linguekoto Property; vi) an option agreement (the "Harmattan Option") for the acquisition of all the rights of a research permit in the Sola West area; vii) the Kolomba Exploration Permit that is contiguous to other permits of the SMSZ projects.

i) **Farabantourou Project** - The Company's Farabantourou project consists of a small-scale mining license ("Petite License") issued in October 2018 for four years and a Farabantourou exploration permit (the "Farabantourou Quest Permit") issued in November 2018 for an initial 3-year term renewal for two additional 2-year terms. The Company is required to incur minimum exploration expenditures of $138,000, $333,000, and $371,000 during the first, second, and third years respectively for the maintenance of the Farabantourou Quest Permit. On December 15, 2022, the Company received the renewed Petite License for another four years.

As at the year ended December 31, 2023 and the date of this report, the renewal of the Farabantourou Quest permit is in progress.

ii) **Farikounda Permit** – The Company acquired this property in 2019 through the acquisition of Ashanti Gold Corp. ("Ashanti"). The Farikounda permit in Mali was renewed in November 2019 for three years with the option to renew for two additional 2-year terms. The Company is required to incur minimum exploration expenditures of $158,000, $419,000, and $347,000 during the first, second, and third years respectively.

When the Company acquired the Farikounda permit through the acquisition of Ashanti, the Farikounda permit was held by a Malian subsidiary Ashanti Gold Mali S.A.R.L ("Ashanti Mali") whereby a minority shareholder had a 5% interest. During the year ended December 31, 2020, the Company paid $80,000 to acquire this remaining 5% interest in Ashanti Mali from the minority shareholder.

As at the year ended December 31, 2023 and the date of this report, the renewal of the Farikounda permit is in progress.

6. EXPLORATION AND EVALUATION PROPERTIES (Continued)

iii) **MMC Option** - During the year ended December 31, 2019, the Company entered into an option agreement with MMC to acquire a 100% interest in certain properties (the "Keniebandi-Est Permit" and "Kousilli West Permit"). The Company will earn a 100% interest in these two permits satisfying the following headline terms:

1. Payment of CAD $500,000, of which CAD $250,000 was paid in July 2019 to earn an initial 55% interest with the balance of CAD $250,000 to be paid over a three year period (fully paid during 2020 – 2022). The Company is also required to issue 1,000,000 common shares to MMC in four equal instalments between 2019 to 2023. The Company issued 250,000 common shares with a fair value of $35,974 to fulfil the first instalment.

    a. On May 5, 2020, the Company issued 250,000 common shares with fair value of $17,816 and paid $74,550 (CAD$100,000) to MMC to fulfil the annual obligation for fiscal 2020.
    b. The Company issued 250,000 common shares with fair value of $31,910 (CAD$40,000) and paid $61,319 (CAD$75,000) to MMC in May 2021 to fulfil the annual obligation for fiscal 2021.
    c. On May 4, 2022, the Company issued 250,000 common shares with fair value of $19,113 (Note 8) and paid $58,995 (CAD$75,000) to MMC to fulfil the annual obligation for fiscal 2022.

2. Incur exploration expenditures of CAD $350,000 over a three year period.

The underlying exploration permit of this property was renewed in 2019 for three years with the option to renew for two additional 2-year terms. The permit holder is required to incur minimum exploration expenditures of $125,000, $416,000, and $423,000 during the first, second, and third years respectively. MMC shall retain a 2% NSR on all ore mined from the properties.

During the three-year option period, the Company will be responsible for maintaining the permit in good standing and performing any and all obligations required by law and will take over operation control of the projects on closing of the transaction with MMC.

As at the year ended December 31, 2023 and the date of this report, the Company is awaiting approval for renewal of the Keniebandi-Est Permit and Kousilli West Permit.

iv) **Altus Permits** - In August 2019 the Company entered into an agreement with Altus Strategies PLC ("Altus") to acquire a 100% interest in Altus' Sebessounkoto Sud and Djelimangara projects (collectively the Altus Permits"). Terms of the agreement are as follows:

Part 1: Consideration

Upon signing of the agreement, the Company will:

- Within 5 business days make a cash payment of $50,000 to Altus (paid in October 2019); and
- Within 14 business days and subject to any regulatory approval as may be required, issue 3,000,000 common shares to Altus (issued in October 2019).

6. EXPLORATION AND EVALUATION PROPERTIES (Continued)

iv) **Altus Permits** (continued)

Part 2: Milestone payments

Upon the reception of a NI 43-101 compliant independent resource over the Project, which exceeds 500,000 ounces of gold, the Company will (in respect of the first 500,000 ounces only):

- Within 5 business days make a cash payment of $100,000 to Altus; and
- Within 14 business days and subject to any regulatory or shareholder approvals as may be required, issue 2,000,000 common shares to Altus.

Upon the reception of a NI 43-101 compliant independent resource over the Project which exceeds 1,000,000 ounces of gold, then the Company will (in respect of the second 500,000 ounces only):

- Within 5 business days make a cash payment of $100,000 to Altus; and
- Within 14 business days and subject to any regulatory or shareholder approvals as may be required, issue 3,000,000 shares to Altus.

Part 3: Project Royalties

Altus will retain a 2.5% NSR (“Altus NSR”) royalty on the Project.

The Company will have the right to purchase up to 1.5% of the Altus NSR. The amount payable by the Company to Altus will be calculated by reference to the NI 43-101 gold reserve figure reported in an independent definitive feasibility study on the Project as follows:

- $6,000,000 if the reserve is greater than 1,000,000 ounces;
- $3,000,000 if the reserve is less than 1,000,000 ounces but greater than 500,000 ounces;
- $1,000,000 if the reserve is less than 500,000 ounces but greater than 250,000 ounces;
- Furthermore, the Company will have a 60-day right of first refusal, to acquire such portion of the balance of the Altus NSR that Altus may, from time to time, wish to sell.

Altus will provide the Company a 10-day written notice of any intention to sell any of its shares of the Company. During that 10-day period, the Company will have the right to find a third party to acquire such shares of the Company directly from Altus.

The Sebessounkoto Sud project is comprised of an exploration permit renewed in July 2018 for three years with the option to renew for two additional 2-year terms. The Company is required to incur minimum exploration expenditures of $108,000, $383,000 and $607,000 during the first, second, and third years respectively. On October 11, 2022, the Company received a renewed Sebessounkoto Sud Permit which has a term of three years with the option to renew for one additional 3-year term. The Company is required to incur minimum exploration expenditures of $220,000, $220,000 and $307,100 during the first, second, and third years respectively.

The Djelimangara project is comprised of an exploration permit renewed in October 2019 for two years without a renewable option, which expired in 2021. A new permit (the “Kamana Permit”) was granted on October 21, 2022 in approximately the same area. The Kamana Permit has a term of three years with the option to renew for two additional 3-year term. The Company is required to incur minimum exploration expenditures of $166,500, $370,600 and $531,800 during the first, second, and third years respectively.

6. EXPLORATION AND EVALUATION PROPERTIES (Continued)

v) **SUD Option** - In September 2019, the Company entered into an option agreement with SUD Mining SARL ("SUD") to secure the right to acquire a 95% interest in the Linguekoto property (the "Linguekoto Project").

Terms of this option agreement are as follow:

- The Company will pay SUD $150,000, of which $50,000 was paid upon closing of the transaction in October 2019 with the balance of $100,000 to be paid over a three-year period (completed);
    - During the year ended December 31, 2020, the Company paid $40,000 to fulfil the annual instalment obligation;
    - During the year ended December 31, 2021, the Company paid $30,000 to fulfil the obligation for 2021.
    - During the year ended December 31, 2022, the Company paid $30,000 to fulfil the obligation for 2022.
- Incur exploration expenditures of $120,000 over a three-year period.

During the three-year option period, the Company is responsible for maintaining the permit in good standing and perform any and all obligations required by law. In the event that, within 60 months from the transaction date, 100,000 oz gold, NI 43-101 compliant reserves are discovered at Linguekoto, the Company will issue 250,000 common shares to SUD. The Company will issue an additional 250,000 common shares for every additional 100,000 ounces of gold, NI compliant 43-101 reserves declared at Linguekoto, up to a maximum aggregate amount of 1,250,000 shares.

The underlying exploration permit of the SUD option was renewed in September 2019 for three years with the option to renew for two additional 2-year terms. The permit holder is required to incur minimum exploration expenditures of $112,000, $229,000 and $241,000 during the first, second, and third years respectively. SUD will retain a 5% carried interest, in the concession, before any interest retained by the government of Mali.

As at the year ended December 31, 2023 and the date of this report, the Company is awaiting final approval for renewal of the permit for the Linguekoto Project.

vi) **Harmattan Option** - During the year ended December 31, 2020, the Company entered into an option agreement with Harmattan Consulting SARL ("Harmattan") to acquire a 95% interest in the rights of a research permit (the "Sola West Permit") of the Sola West Concession.

Terms of the option agreement are as follows:

- Cash payment of $20,548 (12 million Mali CFA) to Harmattan for the option fees and taxes in connection with the mineral interests (paid);
- Issuance of 100,000 common shares of the Company to Harmattan (issued in March 2021 with a market value of $11,169).

6. EXPLORATION AND EVALUATION PROPERTIES (Continued)

vi) **Harmattan Option** (continued)

At the completion of the above payments, the Company would have acquired:

- the rights to carry out operations on the Sola West Permit;
- the exclusive option to acquire a 95% interest in the Permit after payments of the following:
  - $33,183 (18 million Mali CFA) within 5 days at the publication of the Sola West Licensing Order (paid in February 2021);
  - $82,957 (45 million Mali CFA) that was paid in June 2021, and 100,000 common shares of the Company issued in March 2021 with a market value of $11,169;
  - $54,846 (33 million Mali CFA) that was paid on June 7, 2022, and 50,000 common shares were issued on June 1, 2022 with a market value of $4,326 (Note 8).

The underlying exploration permit of the Harmattan Option was renewed in December 2020 for three years with the option to renew for two additional 2-year terms. The permit holder is required to incur minimum exploration expenditures of $126,000, $287,000 and $160,000 during the first, second, and third years respectively.

After the Sola West Permit is transferred to the Company, the Company will pay $56,507 (33 million Mali CFA) within ten days after the transfer and issue 50,000 common shares of the Company to Harmattan.

Within 10 days after the Company informs Harmattan of the production decision of the Sola West Permit, the Company will pay:

- $250,000 in the event of mining operation based on a feasibility study that indicates proven and probable reserves of a maximum 500,000 oz of gold;
- $1 per ounce for the exploitation of a deposit based on a feasibility study that indicates proven and probable reserves between 500,000 to 1,000,000 oz of gold.

In addition of the above, the Company will grant a 2% NSR in connection with the Sola West Permit. The Company has the right at any time to purchase 1% of the NSR for $1,000,000.

vii) **Kolomba Permit** - In September 2021, the Company was granted the Kolomba Exploration Permit with an initial three-year terms from the date of issuance (November 1, 2021). The Company has the right to renew this permit for two additional two-year periods. The permit holder is required to incur minimum exploration expenditures of $158,000, $395,000 and $485,000 during the first, second, and third years respectively.

<u>MALI – Djimbala Project</u>

The Company received the permit in October 2019 for an initial 3-year term, with an option to renew for two additional 2-year term. On April 9, 2020, the Company signed a four-year option agreement with Indigo Exploration Inc (“Indigo”), whereby Indigo can acquire up to 100% interest in the Djimbala Permit by the issuance of Indigo’s shares and completion of work program. August 17, 2022, Indigo terminated the option agreement. As a result, the Company decided not to renew the permit of the Djimbala project during the year ended December 31, 2022.

(Expressed in US dollars)

6. EXPLORATION AND EVALUATION PROPERTIES (Continued)

RWANDA Project

As at December 31, 2022, the Company decided not to continue holding its interest in a commercial gold mining license in Rwanda.

SUMMARY OF EXPLORATION EXPENDITURES

Exploration expenditures incurred during the year ended December 31, 2023 are as follow:

	SMSZ Project
	$
Permit renewal and maintenance	83,055
Drilling	29,061
Geo-analysis	54,902
Camp supplies, exploration, and office	55,077
Salaries	224,836
Total	446,931

Exploration expenditures incurred during the year ended December 31, 2022 are as follow:

	SMSZ Project	Djimbala Project	Rwanda Project	Total
	$	$	$	$
Option payment - Harmattan Option	59,901	-	-	59,901
Option payment - MMC Option	79,097	-	-	79,097
Option payment – SUD Option	30,165	-	-	30,165
Permit renewal and maintenance	311,908	-	-	311,908
Drilling	439,170	-	-	439,170
Geo-analysis	217,348	-	-	217,348
Camp supplies, exploration, and office	303,368	-	-	303,368
Salaries	468,665	-	-	468,665
Total	1,909,622	-	-	1,909,622

7. MARKETABLE SECURITIES

As at December 31, 2022, the Company held 1,890,892 shares of Indigo with a fair value of $55,845. The Company recorded a loss for change in fair value of $36,323 and a foreign exchange loss of $4,773 included in other comprehensive loss.

During the year ended December 31, 2023, the Company disposed all of the 1,890,892 shares of Indigo for $69,108 and recorded a gain of $13,263. As at December 31, 2023, the Company did not hold shares of Indigo (December 31, 2022 - 1,890,892 shares).

8. SHARE CAPITAL

(a) Share capital

Authorized share capital

Unlimited number of common shares without par value; and 1,250,000 preferred shares issuable in series with rights and restrictions to be determined by the directors prior to any issuances.

Issued share capital

2023
There was no share issuance or cancellation during the year ended December 31, 2023.

2022
In April 2022, the Company completed a non-brokered private placement for the issuance of 11,742,334 security units ("Unit') at a price of CAD $0.12 per Unit for gross proceeds of $1,082,878 (CAD$1,409,080). The Company paid cash finder's fees of $8,663 (CAD$11,206).) Each Unit consists of one common share and one common share purchase warrant. Each Warrant entitles the holder to purchase one common share at a price of CAD $0.18 per share for a period of two years from issuance.

The Company applied the residual method and has allocated $180,475 for the issuance of warrants in connection with this private placement.

During May and June 2022, the Company issued 250,000 and 50,000 common shares in connection with MMC Option and Harmattan Option (Note 6), with fair value totaling $23,439.

On December 21, 2022, the Company issued 33,242,184 security units via a non-brokered private placement at a price of CAD $0.07 per unit for gross proceeds of $1,788,263 (CAD$2,326,953). Each unit consists of one common share and one full share purchase warrant. Each warrant is exercisable into one common share at a price of CAD $0.08 per share for a period of three years from closing. Including to this private placement were 165,000 units (with a fair value of $8,838) issued for services rendered by a consultant and 285,714 units (with a fair value of $15,370) issued to settle an account payable to an officer of the Company (Note 9).

The Company applied the residual method and allocated $255,460 for the issuance of warrants in connection with this private placement.

As at December 31, 2022, there was a subscription receivable of $212,977 which was fully received in January 2023.

The Company paid cash finder's fees of $22,186 (CAD $28,770) and issued 441,000 broker warrants with a fair value of $11,687. Each broker warrant is exercisable at CAD$0.08 per common share for a period of three years from closing.

(b) Stock options

2023
During the year ended December 31, 2023 the Company granted 3,475,000 incentive stock options to consultants, directors, and officers at exercise prices of CAD$0.07 per share and have an expiry date five years from the date of grant. All options were fully vested at the grant date.

2022
There were no options granted or exercised during the year ended December 31, 2022.

(Expressed in US dollars)

8. SHARE CAPITAL (Continued)

(b) Stock options (continued)

Stock option continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2021	10,540,512	CAD$ 0.16
Expired	(1,095,512)	0.26
Balance, December 31, 2022	9,445,000	0.15
Expired	(645,000)	0.25
Issuance	3,475,000	0.07
Balance, December 31, 2023	12,275,000	CAD$ 0.12

Stock options outstanding and exercisable as at December 31, 2023 are summarized as follows:

Exercise price (CAD$)	Number of outstanding	Expiry date	Number of options exercisable
0.19	1,125,000	08-Feb-24	1,125,000
0.16	2,925,000	04-Oct-24	2,925,000
0.10	2,900,000	13-May-25	2,900,000
0.20	250,000	29-May-25	250,000
0.15	1,600,000	22-Jan-26	1,600,000
0.07	2,875,000	20-Mar-28	2,875,000
0.07	600,000	15-Jun-28	600,000
	12,275,000		12,275,000

As at December 31, 2023, the Company's options have a weighted average exercise price of CAD$0.12 per share (2022 – CAD$0.15), and remaining life of 2.02 years (2022 – 2.01 years).

During the year ended December 31, 2023, the Company incurred $104,155 in share-based compensation (2022- $280). The fair value of options have been estimated by using the Black-Scholes option pricing model with the application of the following assumptions:

	2023	2022
Risk-free interest rate	2.97-3.76%	0.4%
Expected life of options	5 years	5 years
Annualized volatility	105-113%	125%
Dividend rate	0.00%	0.00%

(Expressed in US dollars)

8. SHARE CAPITAL (Continued)

(c) Warrants

On December 31, 2023 the weighted average remaining life of the Company's outstanding warrants was 1.48 Years (2022 – 1.84 years). Continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2021	38,119,071	CAD$ 0.28
Issuance of warrants	45,425,518	0.11
Expiry of warrants	(7,450,900)	0.30
Balance, December 31, 2022	76,093,689	CAD$ 0.17
Expired	(7,964,937)	0.15
Expired	(4,316,668)	0.20
Expired	(12,195,428)	0.40
Balance, December 31, 2023	51,616,656	CAD$ 0.12

Warrants outstanding as at December 31, 2023 are summarized as follows:

Exercise price (CAD$)	Number of outstanding	Expiry date
0.25	5,995,348	16-Dec-24
0.25	195,790	16-Dec-24
0.18	11,742,334	26-Apr-24
0.08	441,000	21-Dec-25
0.08	33,242,184	28-Dec-25
	51,616,656	

(Expressed in US dollars)

9. RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers. The aggregate values of transactions relating to key management and companies related to key management are as follows:

Years ended December 31,	**2023**	**2022**
	$	**$**
Consulting fees	252,667	349,796
Satellite data analysis (i)	21,058	-
Rent	17,782	18,444
Share-based compensation	82,909	-

(i) The Satellite data analysis was performed by a company of which one director is the CEO

In addition to the above, through the private placement completed in December 2022 (Note 8(a), two directors of the Company subscribed totaling 7,842,857 units for CAD$549,000. The Company issued 285,714 units to the Company's CEO to pay off an account payable of $15,370 (CAD$20,000).

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Company's accounts payable and accrued liabilities (Note 4) included the following balances owing to related parties.

Due to Related parties	**Nature**	**December 31, 2023**	**December 31, 2022**
		$	**$**
Chief financial officer	Consulting fees	2,306	2,030
Directors	Consulting fees	1,015	19,962
		3,321	21,992

(Expressed in US dollars)

10. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial instruments included in the statements of financial position are as follows:

		December 31, 2023	December 31, 2022
		$	$
Cash	Amortized cost	279,575	1,220,393
Marketable securities	FVTPL	-	55,845
Other receivables	Amortized cost	10,829	92,616
Accounts payable and accrued liabilities	Amortized cost	(124,114)	(539,698)

Fair value

The fair value hierarchy established by IFRS 13 Fair Value Measurement has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At the respective reporting dates, all of the Company's financial instruments had maturities less than one year. As a result, the carrying amount of accounts payable and accrued liabilities approximated their fair values due to their short-term maturities.

Risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments:

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure as far as possible that it will always have sufficient cash on demand to meet its liabilities when they fall due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The Company is subject to liquidity risk.

Interest rate risk
As at December 31, 2023, the Company did not have any significant exposure to the risk of changes in market interest rates as the Company did not have any financial instruments that are exposed to changes in interest rates.

(Expressed in US dollars)

10. FINANCIAL INSTRUMENTS (Continued)

Risk management (Continued)

Foreign currency risk
Foreign currency risk arises from holdings of financial assets and liabilities in currencies other than the function currency to which they relate. The Company and its subsidiaries have minimal such holdings, consequently foreign currency risk is considered low.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from optionees and investment securities.

The potential concentration of credit risk consists mainly of cash and other receivables. The Company limits its counterparty exposures from its cash by only dealing with well-established financial institutions of a high quality credit standing. Receivables comprise mainly subscription receivable, receivable from optionee, and GST receivable from the government. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

At the reporting date the majority of the Company's cash resources were deposited with reputable established financial institutions. As a result, management believes the Company is not exposed to significant credit risk due to the credit worthiness of these counterparties.

11. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation assets and to sustain future development of the business. The capital structure of the Company consists of equity and debt obligations, net of cash.

There were no changes in the Company's approach to capital management during the year ended December 31, 2023. The Company is not exposed to any external capital requirements.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported dates is as follows:

	2023	2022
Loss for the year	$ (984,929)	$ (2,798,201)
	27%	27%
Expected income taxes recovery at statutory	(266,000)	(756,000)
Non-deductible items	25,000	5,000
Impact of different foreign statutory tax rates on earnings on subsidiaries	(13,000)	(360,500)
Foreign exchange, expired losses and other	(5,000)	(1,500)
Change in unrecognized deductible temporary differences	259,000	1,113,000
	$ -	$ -

(Expressed in US dollars)

12. INCOME TAXES (Continued)

The significant components of the Company's deferred tax assets that have not been set up are as follows:

		2023		2022
Deferred tax assets (liabilities)				
Exploration and evaluation assets	$	3,261,000	$	3,261,000
Property and equipment		40,000		40,000
Share issue costs		22,000		57,000
Marketable securities		-		7,000
Non-capital losses		3,407,000		3,211,000
		6,730,000		6,576,000
Unrecognized deferred tax assets		(6,730,000)		(6,576,000)
Net deferred tax assets	**$**	**-**	**$**	**-**

The Company has approximately $12,010,000 in Canadian non-capital losses which expire between 2026 and 2043 and $548,000 in foreign non–capital losses which expire between 2024 and 2026.

13. SUBSEQUENT EVENTS

a) Commencing February 2024, the Company initiated a non-brokered private placement (the “Financing”) of units at a price of CAD $0.07 per unit (“Unit”). Each Unit consists of one common share and one share purchase warrant ("Warrant") that entitles the holder to purchase one additional common share of the Company at a price of CAD $0.08 per common share for a period of three (3) years from the closing of the Financing.

   As at the date of this report, the Company 15,993,143 Units and received gross proceeds of $1,119,520.

b) 1,125,000 stock options with an exercise price of CAD$0.19 and 11,742,334 warrants with an exercise price of CAD$0.18 expired in February 2024 and April 2024 respectively.

c) On April 24, 2024, the Company initiated a non-brokered private placement of up to 13,000,000 units at a price of CAD $0.07 per unit to raise up to CAD $910,000. Each Unit will consist of one common share and a share purchase warrant. Each warrant entitles the holder to purchase one common share at CAD $0.08 per share for a period of three years from issuance.