OMINECA MINING AND METALS LTD.

(An Exploration Stage Corporation)
FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

For the years ended
December 31, 2023 and 2022

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Independent Auditor's Report

To the Shareholders of Omineca Mining and Metals Ltd.

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 describes the material uncertainty 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 year ended December 31, 2023. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be a key audit matter to be communicated in our report. 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.

Recoverability of Exploration and Evaluation Assets
As disclosed in Note 6 of thefinancial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Company. Refer to Notes 2 and 3 of thefinancial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2023.

Why the matter was determined to be a key audit matter

We considered this a key audit matter due to (i) the significance of the mining claims and deferred exploration costs balance and (ii) the judgments made by management in its assessment of indicators of impairment related to mining claims and deferred exploration costs, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit

We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;

- Assessing compliance with option agreements by reviewing agreements, vouching cash payments and share issuances;

- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;

- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and

- Assessing the adequacy of the related disclosures in Notes 2, 3 and 6 of the financial statements.

Other Information

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

- Management's Discussion and Analysis

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 the other information 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 Accounting Standards as issued by the International Accounting Standards Board, 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 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 Todd Freer.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
April 29, 2024

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at December 31	**2023**	2022
Assets		
Current		
Cash and cash equivalents	**$ 1,296,858**	$ 119,437
Accounts receivable (Note 11)	**105,318**	317,328
Prepaid expense	**71,343**	71,161
Investments (Note 4)	**5,740**	10,398
	1,479,259	518,324
Reclamation bonds (Note 12)	**100,000**	100,000
Property and equipment (Note 5)	**203,045**	226,633
Exploration and evaluation assets (Note 6)	**15,438,523**	14,856,792
	$ 17,220,827	$ 15,701,749
Liabilities and Shareholders' Equity (Deficit)		
Current		
Accounts payable and accrued liabilities (Note 11)	**$ 799,503**	$ 1,080,305
	799,503	1,080,305
Decommissioning provision (Note 12)	**65,000**	65,000
Debenture payable (Note 7)	**9,985,190**	9,376,623
	10,849,693	10,521,928
Shareholders' equity		
Share capital (Note 8)	**29,608,845**	26,733,624
Equity component of convertible debenture (Note 7)	**1,234,733**	1,234,733
Contributed surplus (Note 8)	**3,375,982**	2,959,202
Deficit	**(27,848,426)**	(25,747,738)
	6,371,134	5,179,821
	$ 17,220,827	$ 15,701,749

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 12)

Approved on behalf of the Board:

"Tom MacNeill" Director
Mr. Tom MacNeill (Signed)

"Andrew Davidson" Director
Mr. Andrew Davidson (Signed)

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

For the years ended December 31	2023	2022
Operating Expenses		
Administration costs (Note 11)	**$ 598,480**	$ 626,533
Accretion expense (Note 7)	**141,986**	126,159
Professional fees	**68,965**	85,674
Public company costs	**35,545**	36,182
Trade shows, travel and promotion	**171,057**	192,406
Net loss from operating expenses	**1,016,033**	1,066,954
Depreciation (Note 5)	**-**	2,894
Share-based payments (Notes 8 and 11)	**269,500**	201,500
Net loss before other items	**(1,285,533)**	(1,271,348)
Other items		
Interest income	**11,084**	-
Unrealized loss on investments (Note 4)	**(4,658)**	(25,871)
Interest expense (Note 7)	**(821,581)**	(778,634)
Comprehensive Loss for the year	**$(2,100,688)**	$(2,075,853)
Loss per share – basic and diluted (Note 10)	**$(0.01)**	$(0.02)
Weighted average number of shares outstanding – basic and diluted (Note 10)	**170,422,632**	137,720,531

STATEMENTS OF CHANGES IN SHARHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital		Equity component of convertible debenture	Contributed surplus			
	Shares	Amount		Share-based payments	Warrant reserve	Deficit	Total
Balance, December 31, 2021	**136,436,901**	**$25,997,327**	**$1,234,733**	**$2,750,902**	**$13,550**	**$(23,671,885)**	**$6,324,627**
Share issuance – private placements	9,374,999	750,000	-	-	-	-	750,000
Share issuance – stock options exercised	150,000	14,250	-	(6,750)	-	-	7,500
Share issue costs	-	(27,953)	-	-	-	-	(27,953)
Share-based payments	-	-	-	201,500	-	-	201,500
Comprehensive Loss for the year	-	-	-	-	-	(2,075,853)	(2,075,853)
Balance, December 31, 2022	**145,961,900**	**$26,733,624**	**$1,234,733**	**$2,945,652**	**$13,550**	**$(25,747,738)**	**$5,179,821**
Share issuance – private placements	29,272,675	3,219,994	-	-	-	-	3,219,994
Share issue costs	-	(337,493)	-	-	-	-	(337,493)
Share issuance – stock options exercised	2,800,000	266,000	-	(126,000)	-	-	140,000
Agent options	-	(273,280)	-	273,280	-	-	-
Share-based payments	-	-	-	269,500	-	-	269,500
Comprehensive Loss for the year	-	-	-	-	-	(2,100,688)	(2,100,688)
Balance, December 31, 2023	**178,034,575**	**$29,608,845**	**$1,234,733**	**$3,362,432**	**$13,550**	**$(27,848,426)**	**$6,371,134**

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

For the years ended December 31	**2023**	2022
Cash flows used in operating activities		
Loss for the year	**$ (2,100,688)**	$ (2,075,853)
Adjustment for:		
Depreciation	**-**	2,894
Accretion expense	**141,986**	126,159
Interest expense	**821,581**	778,634
Unrealized loss on investments	**4,658**	25,871
Share-based payments	**269,500**	201,500
	(862,963)	(940,795)
Changes in non-cash working capital items		
Increase (decrease) in accounts receivable	**192,340**	(42,557)
Increase in prepaid expense	**(182)**	(28,256)
Decrease in accounts payable and accrued liabilities	**65,442**	81,138
	(605,363)	(930,470)
Cash flows used in investing activities		
Purchase of property and equipment	**(43,862)**	(2,500)
Exploration and evaluation expenditures, net of tax credit	**(840,855)**	(919,999)
Increase in reclamation bonds	**-**	(10,000)
	(884,717)	(932,499)
Cash flows from financing activities		
Proceeds from shares issued – private placements	**3,219,994**	750,000
Proceeds from shares issued – warrants exercised	**-**	-
Proceeds from shares issued – stock options exercised	**140,000**	7,500
Share issue costs	**(337,493)**	(27,953)
Payment on debentures	**(355,000)**	(100,000)
	2,667,501	629,547
Decrease in cash and cash equivalents	**1,177,421**	(1,233,422)
Cash and cash equivalents, beginning of year	**119,437**	1,352,859
Cash and cash equivalents, end of year	**$ 1,296,858**	$ 119,437

The Company made $nil (2022 - $nil) payments for income taxes and paid $nil (2022 - $100,000) in interest.
The Company received cash payments of $11,084 (2022 - $nil) for interest.
See Note 14 for Supplemental Cash Flow Information.

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

1. Nature and Continuance of Operations

Omineca Mining and Metals Ltd. (the "Company", "OMM" or "Omineca") was incorporated on March 15, 2011, pursuant to the Alberta Business Corporation Act (Alberta), and is extra-provincially registered in the Yukon and British Columbia. The Company is a junior resource company holding properties in British Columbia and the Yukon for the purpose of exploring for, and the development of mineral resources. As the Company has not commenced production on any of its mining properties the Company is an exploration stage company. 49 North Resources Inc. ("49 North"), who owns 25.5% (2022 – 31.1%) of the share capital of the Company is the ultimate controlling party.

The Company's corporate office and principal place of business is Suite 602, 224-4th Avenue South, Saskatoon, Saskatchewan, Canada.

Effective December 31, 2022, the Company dissolved its wholly-owned subsidiary, CVG Mining Ltd. ("CVG"). The audited financial statements incorporate the transactions and records of CVG until dissolution date.

Management believes the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. These material uncertainties cast a substantial doubt regarding the Company's ability to continue as a going concern. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

2. Basis of Preparation

(a) Statement of Compliance
The audited financial statements for the Company for the years ending December 31, 2023 and 2022 are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These audited financial statements were authorized for issue by the Company's Board of Directors on April 29, 2024.

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

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

(c) Use of Estimates and Judgments
The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

2. Basis of Preparation - continued

The estimates and underlying assumptions are evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant accounting estimates

i. Amounts of provisions for environmental rehabilitation and restoration.

Significant accounting judgments

i. The assessment of indications of impairment of each exploration and evaluation property and related determination of the recoverable amount and write-down of those properties where applicable.
ii. The assessment of the going concern assumption (see Note 1).

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these audited financial statements. The audited financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the material accounting policies summarized below:

a) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and term deposits and investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. As at December 31, 2023 and 2022, cash and cash equivalents consisted of cash and a GIC held as collateral (note 14).

b) Financial instruments

The Company holds various financial instruments. Unless otherwise indicated, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Financial instruments recognized in the statements of financial position include cash and cash equivalents, accounts receivable, investments, reclamation bonds, accounts payable and accrued liabilities and debenture payable.

Classification

At initial recognition, financial assets are classified as and measured at amortized cost, FVTPL, or FVTOCI. The classification depends on the Company’s business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (“OCI”).

FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

3. Material Accounting Policies - continued

Amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Under IFRS 9, the Company classifies its financial instruments as follows:

Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Investments	FVTPL
Reclamation bonds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debenture payable	Amortized cost

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Material Accounting Policies - continued

c) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. If the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

d) Exploration and evaluation expenditures

Pre-exploration costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures
Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into option arrangements, whereby the Company may transfer part of a mineral interest, as consideration, for an agreement by the optionee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount and at the end of each reporting period.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

3. Material Accounting Policies - continued

e) Mineral tax credit
The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and by their nature are subject to measurement uncertainty. Adjustments if any, resulting from such a review are recorded in the period that the tax filings are amended.

f) Joint Arrangement
Certain of the Company's activities are conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Company has a direct ownership interest in jointly controlled assets and obligations for liabilities. The financial statements include the Company's interest in the assets, liabilities, revenues, expenses, and cash flows of this type of arrangement.

Joint ventures arise when the Company has rights to the net assets of the arrangement. For these arrangements the Company uses the equity method of accounting and recognizes initial and subsequent investments at cost, adjusting for the Company's share of the joint venture's income or loss, less dividends received thereafter. Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable under the equity method of accounting. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of disposal and its value in use.

Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

g) Property and equipment
Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items. The depreciation method, useful life and residual values are assessed annually.

Depreciation is determined using the declining balance method, using the rates below which approximate the estimated useful life of the asset:

Excavation equipment	30% per annum
Furniture, fixtures and equipment	20% per annum
Vehicles	30% per annum

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

3. Material Accounting Policies - continued

h) Impairment of non-financial assets
At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. 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. The impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit and loss.

i) Rehabilitation obligations
The Company recognizes the fair value of a legal or constructive liability for a rehabilitation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for rehabilitation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

j) Share capital
Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options, equity portion of convertible debenture and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

Valuation of equity units issued in private placements
The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of common shares issued in private placements was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to attached warrants. Any fair value attributed to warrants is recorded to contributed surplus.

Flow-through shares
Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's year is disclosed separately as flow-through share commitments in Note 12, if any.

The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financing expense until qualifying expenditures are incurred.

3. Material Accounting Policies - continued

k) Per share amounts
Basic loss per common share are computed by dividing the loss for the period by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to re-purchase common shares of the Company at the average market price during the period.

l) Share-based payments
Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. The fair value of options to purchase common shares is calculated at the date of the grant using the Black-Scholes option-pricing model. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. The amount remains in contributed surplus for options when they expire unexercised.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

m) Accounting pronouncements issued but not yet effective

In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments seek to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 do not override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption.

The Company does not expect these amendments to have a material effect on its financial statements.

(Expressed in Canadian dollars)

3. Material Accounting Policies - continued

n) New accounting pronouncements adopted during the year

IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 Making Materiality Judgments to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. The amendments are effective for periods beginning January 1, 2023, with early adoption permitted. Prospective application is required on adoption.

The Company has reduced the disclosures within these financial statements upon adoption of the amended standard.

4. Investments

The Company holds securities that have been designated as FVTPL as follows:

	December 31, 2023		December 31, 2022	
	Fair Value	**Cost**	Fair Value	Cost
Current:				
Common shares in public companies	**$ 5,740**	**$ 56,597**	$ 10,398	$ 56,597

For securities traded in an active market, fair value is based on the quoted closing bid prices of the securities at December 31, 2023 and 2022. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

The Company recorded an unrealized loss of $4,658 (2022 – $25,871) in the year.

(Expressed in Canadian dollars)

5. Property and Equipment

Cost	Excavation Equipment	Furniture Fixtures & Equipment	Vehicles	Total
Balance at December 31, 2021	$562,248	$ 42,552	$17,850	$622,650
Additions	-	2,500	-	2,500
Balance at December 31, 2022	562,248	45,052	17,850	625,150
Additions	38,375	5,487	-	43,862
Balance at December 31, 2023	**$600,623**	**$ 50,539**	**$17,850**	**$669,012**
Accumulated Depreciation				
Balance at December 31, 2021	$271,033	$ 13,217	$17,627	$301,877
Depreciation	89,159	7,258	223	96,640
Balance at December 31, 2022	360,192	20,475	17,850	398,517
Depreciation	60,617	6,833	-	67,450
Balance at December 31, 2023	**$420,809**	**$ 27,308**	**$17,850**	**$465,967**
Carrying Value				
At December 31, 2022	$202,056	$ 24,577	$ -	$226,633
At December 31, 2023	**$179,814**	**$ 23,231**	**$ -**	**$203,045**

During the year ended December 31, 2023, the Company expensed depreciation of $nil (2022 - $2,894) to profit or loss and capitalized $67,450 (2022 - $93,746) to exploration and evaluation assets.

6. Exploration and Evaluation Assets

The Company has classified its exploration and evaluation properties into two geographical locations, namely British Columbia and the Yukon. The following is a summary of the properties:

	British Columbia				Yukon	
	Abo	Fraser Canyon	Mouse Mountain	Wingdam	Kiwi	Total
December 31, 2021	$1	$ 126,742	$500,992	$13,036,001	$ 1	$13,663,737
Acquisition and renewal	-	50,250	1,244	7,352	-	58,846
Exploration costs	-	-	-	1,040,463	-	1,040,463
Depreciation	-	-	-	93,746	-	93,746
December 31, 2022	1	176,992	502,236	14,177,562	1	14,856,792
Acquisition and renewal	-	62,791	7,100	10,500	-	80,391
Exploration costs	-	-	-	414,220	-	414,220
Depreciation	-	-	-	67,450	-	67,450
Other	-	-	-	19,670	-	19,670
December 31, 2023	**$1**	**$239,783**	**$509,336**	**$14,689,402**	**$1**	**$15,438,523**

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets – continued

2023	Wingdam
Tenure and permits	$ 1,323
Analytical	29,867
Drilling	20,000
Environmental	8,979
Geological	143,789
Personnel	60,000
Travel and accommodation	23,747
Equipment rental and other	126,515
	$ 414,220

2022	Wingdam
Tenure and permits	$ 1,323
Analytical	54,166
Drilling	170,828
Environmental	19,433
Geophysical	122,983
Geological	352,080
Personnel	58,080
Travel and accommodation	38,381
Equipment rental and other	223,189
	$ 1,040,463

As at December 31, 2023 and 2022, the Company has executed option agreements with third parties on the following projects:

BC Projects

Wingdam Project

The Company entered into an option agreement to acquire a 100% interest in certain placer claims and mineral leases (the "Wingdam Project") in the province of British Columbia. As part of the option agreement, $2,500,000 was paid and consequently the Company owns 100% of the mineral rights on property, subject to a 1% net smelter royalty payable to the vendor. The Company has the ability to acquire the rights to the net smelter royalties from the vendor at any time for an amount of $1,000,000. This property is collateralized for the convertible debenture (note 7).

The Wingdam project is currently permitted under a BC Ministry of Natural Resource Operations permit and a BC Ministry of Environment Effluent Discharge permit. On January 21, 2015, November 23, 2021 and December 18, 2023, the Company received amendments to its Wingdam Project Mines Act permit from the BC Ministry Of Energy and Mines extending the expiry date to June 30, 2024.

In February 2019, the Company entered into a letter of agreement whereby an arm's length private company (the "Partner") will earn a 50% interest in placer claims contained within the Wingdam Project in exchange for incurring 100% of the preparatory costs required to commence an initial 300 meter bulk sample at the property. During 2022, the Partner earned its interest in the Wingdam property and was granted its 50% interest in the placer claims, as underground operations had begun. Under the terms of the proposed Joint Venture, the Partner is required to complete all mining activities related to placer claims at Wingdam in exchange for half of the gold that is recovered. The Company is still responsible for continued operations relating to the hard rock claims. Further, the Partner will charge Omineca a fixed price of $850 per ounce of gold.

6. Exploration and Evaluation Assets – continued

In March 2021, the Company entered into a Purchase and Sale Agreement to purchase certain properties related to the Wingdam project (including lands and leases) for exploration activities. As part of the consideration, OMM is to make total cash payments of $125,000, payable as follows:

i. $50,000 payable on signing (paid);
ii. $50,000 payable on the one-year anniversary of signing (paid); and
iii. $25,000 payable on the second-year anniversary of signing (not paid).

Fraser Canyon Project
The Company entered into an option agreement to acquire a 100% interest in certain placer claims and mineral leases (the "Fraser Canyon Project") in the province of British Columbia. As part of the option agreement, the Company paid $30,000 and consequently owns 100% of the mineral rights of the property, subject to a 2.5% net smelter royalty payable to the vendor. The Company has the ability to acquire the rights to the net smelter royalties from the vendor at any time for an amount of $250,000.

Mouse Mountain Project
The Company entered into an option agreement to acquire a 50% interest in the project in the province of British Columbia. As part of the option agreement, the Company issued 300,000 shares and is required to drill 2,000 meters on the project. During the year ended December 31, 2021, the Company completed its drilling and has earned its 50% interest in the project.

7. Convertible Debenture

The Company has a convertible debenture with 49 North with a principal balance of $5,400,000. The debenture was amended on September 19, 2016 extending the maturity by three years to October 1, 2021 (previously October 1, 2018). In the event commercial production has not been achieved for an aggregate period of 24 months, at the maturity date this debenture will automatically renew for an additional term of 5 years.

Under the amended debenture, 49 North can convert the principal amount into common shares of Omineca at a conversion price of $0.20 per common share prior to October 1, 2017; $0.50 per common share on or after October 1, 2017 but prior to October 1, 2018; and $0.75 per common share on or after October 1, 2018 (previously $1.25 after October 1, 2015). The debenture bears interest of 8% per annum, calculated and compounded monthly and is payable upon maturity at October 1, 2021. Accrued interest on the amended debenture is also convertible at a conversion price equal to the greater of the minimum price per common share permitted by the TSXV and the prevailing conversion price applicable to the principal amount at the time of conversion.

The change in terms of the debt resulted in less than a 10% change in cash flows, therefore it was considered a modification of the original debt, rather than an extinguishment of the old debt and the recognition of a new debt.

Payments against principal and interest are required in the event ore sales are generated. 49 North holds a fixed and specific first ranking mortgage, assignment and charge in the Wingdam property.

The convertible debenture has been classified into its separate debenture liability and equity portions in the Company's audited financial statements by the fair value method using an effective interest of 9.76% when valuing the liability first. This resulted in an initial amount of $5,019,984 being allocated to the liability portion and $303,244 being allocated to the equity portion. The carrying value of the debenture will be accreted up to its face value over the term to maturity.

(Expressed in Canadian dollars)

7. Convertible Debenture - continued

As commercial production has not commenced, the maturity date had been extended in October 2021 for five years and the balance remains in long-term liabilities. The convertible debenture is valued by the fair value method using an effective interest of 11.88% on renewal date and the new carrying valuing of the convertible debt is accreted up to its face value over the term of the new maturity. On renewal date, $786,617 was allocated to the equity portion using Black-Scholes Option pricing model. Assumptions used in the pricing model for the year are as follows: share price on renewal date of $0.17, risk-free interest rate of 1.13%, expected life of 5 years, annualized volatility 116.78% determined by reference to the Company's historical trading prices, and dividend rate of nil.

	As at December 31	
	2023	2022
Original face value of convertible debenture	**$5,400,000**	$5,400,000
Less: equity portion of convertible debenture	**(144,872)**	(144,872)
Add: accretion	**68,100**	68,100
Carrying amount of convertible debenture at amendment date	**5,323,228**	5,323,228
Less: equity portion of amended convertible debenture	**(1,089,861)**	(1,089,861)
Add: accretion	**677,438**	535,452
Add: accrued interest	**6,564,042**	5,742,461
Less: repayments	**(1,489,657)**	(1,134,657)
	$9,985,190	$9,376,623

	Year ended December 31,	
	2023	2022
Accretion expense	**$ 141,986**	$ 126,159
Accrued interest	**821,581**	778,574
	$ 963,567	$ 904,733

During the year ended December 31, 2023, $963,567 (2022 - $904,733) in accretion and accrued interest was expensed in profit and loss.

8. Equity Instruments

a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

b) Issued and outstanding

At December 31, 2023, there were 178,034,575 (2022 – 145,961,900) shares issued and outstanding.

On November 16, 2022, the Company closed a non-brokered private placement and issued 9,374,999 non-flow-through units at a price of $0.08 per unit for gross proceeds of $750,000. Each unit consisted of a non-flow-through common share and one non-flow-through common share purchase warrant, each warrant exercisable at $0.12 for a 24 month period. A finder's fee of $11,580 cash was paid to third parties and the Company incurred other share issue costs of $16,373, in total.

(Expressed in Canadian dollars)

8. Equity Instruments – continued

On March 23 2023, the Company closed a brokered private placement, selling 29,272,675 flow-through units at a price of $0.11 per unit for gross proceeds of $3,219,994. Each unit consisted of a flow-through common share and one non-flow-through common share purchase warrant, with each warrant exercisable at $0.14 for a 36 month period ("Warrant"). A finder's fee of $193,940 cash was paid to a third party, the Company incurred other share issue costs of $143,553 and issued 1,763,092 agent options valued at $273,280. Each agent option is exercisable at a price of $0.11 in exchange for one non-flow through common share and one Warrant.

c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants (the "Option Plan"). Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

As at and during the years ended December 31, 2023 and December 31, 2022**,** the Company has the following stock option activities:

Total issued and outstanding	Number of Options	Exercise Price per Share Range	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, December 31, 2021	11,950,000	$ 0.05 - $0.33	$ 0.17	4.49 years
Granted	1,300,000	0.20	0.20	
Exercised	(150,000)	0.05	0.05	
Balance, December 31, 2022	13,100,000	0.05 - 0.33	0.18	3.53 years
Exercised	(2,800,000)	0.05	0.05	
Granted	5,500,000	0.07	0.07	
Balance, December 31, 2023	**15,800,000**	**$ 0.05 - $0.33**	**$ 0.16**	**2.97 years**

The weighted average share price on the date of exercises was $0.085 (2022 – $0.165).

As at December 31, 2023, the following table summarizes information about stock options outstanding:

Options Outstanding	Exercise Price	Expiry Date	Number of Options Currently Exercisable
800,000	$ 0.05	May 15, 2028	800,000
2,550,000	$ 0.08	May 3, 2024	2,550,000
400,000	$ 0.25	May 31, 2026	400,000
2,100,000	$ 0.25	July 26, 2026	2,100,000
3,150,000	$ 0.33	December 11, 2025	3,150,000
1,300,000	$ 0.20	January 13, 2027	1,300,000
5,500,000	$ 0.07	September 27, 2028	5,500,000
15,800,000			**15,800,000**

(Expressed in Canadian dollars)

8. Equity Instruments – continued

d) Compensation expense for share options

During the year ended December 31, 2023, $269,500 (2022 - $201,500) was recorded as share-based payments for options granted and vested in the year. Share-based payments are determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period, which all options vested immediately when granted.

On January 13, 2022, the board of directors of the Corporation approved the grant of 1,300,000 stock options pursuant to the Option Plan. 300,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at $0.20 per share, vest immediately and, if not exercised, expire January 13, 2027, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

The value of options issued on January 13, 2022, using the Black-Scholes option pricing model, was $201,500 ($0.155 per option) which was allocated to the share-based payments with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: share price on grant date of $0.185, risk-free interest rate of 1.63%, expected life of 5 years, annualized volatility 125.39% determined by reference to the Company's historical trading prices, and dividend rate of nil.

On September 27, 2023, the board of directors of the Corporation approved the grant of 5,500,000 stock options pursuant to the Option Plan. 2,500,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at $0.07 per share, vest immediately and, if not exercised, expire September 27, 2028, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

The value of options issued on September 27, 2023, using the Black-Scholes option pricing model, was $269,500 ($0.049 per option) which was allocated to the share-based payments with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: share price on grant date of $0.06, risk-free interest rate of 4.15%, expected life of 5 years, annualized volatility 116.17% determined by reference to the Company's historical trading prices, and dividend rate of nil.

(e) Warrants outstanding

As at and during the years ended December 31, 2023 and December 31, 2022, the Company has the following warrant activities:

Total issued and outstanding	Number of Warrants	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2021	23,790,791	$ 0.20 – 0.25	0.79 years
Issued	9,374,999	0.12	
Balance, December 31, 2022	33,165,090	0.12 – 0.35	1.01 years
Issued	29,272,675	0.14	
Expired	(11,166,000)	0.20	
Expired	(9,499,091)	0.35	
Expired	(3,125,000)	0.24	
Balance, December 31, 2023	**38,647,674**	**$ 0.12 – 0.14**	**1.90 years**

During the year ended December 31, 2022, the expiry dates on 9,499,091 warrants were extended to November 25, 2023, 3,633,333 warrants were extended to April 27, 2023 and 7,532,667 warrants were extended to May 21, 2023. The extended warrants expired unexercised during the current year.

(Expressed in Canadian dollars)

8. Equity Instruments – continued

As at December 31, 2023, the following table summarizes information about warrants outstanding:

Warrants Outstanding	Exercise Price	Expiry Date
9,374,999	$ 0.12	November 16, 2024
29,272,675	$ 0.14	March 23, 2026
38,647,674		

(f) Agent options outstanding

As at December 31, 2023, the Company has the following agent options outstanding:

Total issued and outstanding	Number of Options	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2021 and December 31, 2022	1,204,873	$ 0.28	0.90 years and 0.90 years
Issued	1,763,092[(1)]	0.11	
Expired	(1,204,873)	0.28	
Balance, December 31, 2023	**1,763,092**	**$ 0.11**	**2.23 years**

[(1)] Each agent option is exercisable at a price of $0.11 in exchange for one non-flow through common share and one Warrant.

In the year ended December 31, 2022, the expiry dates on 1,204,873 agent options were extended to November 25, 2023. They expired unexercised during the current year.

The value of the agent options issued on March 23, 2023, using the Black-Scholes option pricing model, was $273,280, which was allocated to contributed surplus and an increase in share issue costs. Weighted average assumptions used in the pricing model for the year are as follows: share price on grant date of $0.11, risk-free interest rate of 3.46%, expected life of 3 years, annualized volatility 104.38% determined by reference to the Company's historical trading prices, and dividend rate of nil.

(g) Broker warrants outstanding

As at December 31, 2023, the Company has the following broker warrants outstanding:

Total issued and outstanding	Number of Warrants	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2021 and 2022	371,875	$ 0.16	1.99 years and 0.99 years
Expired	(371,875)	$ 0.16	
Balance December 31, 2023	**-**	**-**	**-**

(Expressed in Canadian dollars)

9. Income Taxes

As of December 31, 2023 and 2022, the effective tax rate of income tax varies from the statutory rate as follows:

	2023	2022
Statutory tax rates	27.00%	27.00%
Expected income tax recovery at statutory rates	$ (567,186)	$ (560,480)
Permanent differences	73,805	58,103
True-up of prior year differences	(8,355)	(156,195)
Capital and other	-	(32,858)
Tax benefits not recognized	501,736	691,430
Deferred income tax expense	$ -	$ -

The components of the Company's deferred income tax assets are a result of the origination and reversal of temporary differences and are comprised of the following:

	Years ended December 31,			
	2023	**Expiry**	**2022**	**Expiry**
Non-capital losses carried forward	$ 4,119,000	2028 – 2043	$ 5,496,000	2028 - 2042
Capital losses carried forward	17,000	No expiry date	17,000	No expiry date
Property and equipment	487,000	No expiry date	419,000	No expiry date
Debenture payable	746,000	No expiry date	604,000	No expiry date
Decommissioning provision	65,000	No expiry date	67,000	No expiry date
Marketable securities	83,000	No expiry date	41,000	No expiry date
Share issuance costs	423,000	2024 – 2027	281,000	2024 - 2026
Unrecognized deductible temporary differences	$ 5,940,000		$ 6,925,000	

The following is the analysis of recognized deferred tax assets and deferred tax liabilities:

	Years ended December 31,	
	2023	**2022**
Deferred tax liabilities		
Exploration and evaluation assets	$ (2,128,482)	$ (1,249,000)
Deferred tax liabilities	(2,128,482)	(1,249,000)
Deferred tax assets		
Non-capital losses carried forward	2,128,482	1,249,000
Deferred tax assets	2,128,482	1,249,000
Net deferred tax assets (liabilities)	$ -	$ -

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

10. Per Share Amounts

The calculation of per share amounts are based on the weighted average number of shares outstanding during the year ended December 31, 2023 of 170,422,632 (2022 – 137,720,531) shares.

The net effect of applying the treasury-stock method to the weighted average number of shares outstanding has an anti-dilutive effect for the years ended December 31, 2023 and 2022.

(Expressed in Canadian dollars)

11. Related Party Transactions

The Company was involved in the following related party transactions during the year:

(a) The Company has a convertible debenture with accrued interest with 49 North. During the year ended December 31, 2023 the Company accrued $821,581 (2022 - $778,574) in interest expense and $141,986 (2022 - $126,159) in accretion expense.

(b) During the year ended December 31, 2023, the Company incurred rent of $48,000 (2022 - $48,000), which is included in administration costs. At December 31, 2023, $2,851 (2022 - $53,727 is included in accounts receivable) is included in accounts payable and accrued liabilities from 49 North.

Compensation to key management personnel in the year and prior year:

	2023	2022
Consulting and management fees	**$ 360,000**	$ 360,000
Share-based payments	**122,500**	46,500
	$ 482,500	$ 406,500

(c) Included in administration costs is $240,000 (2022 - $240,000) for consulting fees to a company controlled by a director and officer of the Company. At December 31, 2023, $27,000 (2022 - $32,000) is included in accounts payable and accrued liabilities.

(d) Included in administration costs is $120,000 (2022 - $120,000) for consulting fees to a company controlled by a director and officer of the Company. At December 31, 2023, $nil (2022 - $nil) is included in accounts payable and accrued liabilities.

(e) The Company granted 2,500,000 (2022 – 300,000) options in the year to directors and officers of the Company and recorded share-based payments of $122,500 (2022 – $46,500). The options are exercisable at $0.07 (2022 - $0.20) and expire September 27, 2028 (2022 - January 13, 2027).

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

The amounts owed and owing are unsecured, non-interest bearing, with no fixed terms of repayment.

12. Commitments and Contingencies

The Company has $100,000 (2022 - $100,000) held as project reclamation deposits in favor of regulatory authorities. The amount of the deposit is determined at the time the exploration program is planned and a notice of work is submitted to the regulatory authority. If the work is more extensive than previously planned, the amount of the deposit will be increased. When reclamation work is completed on a project to the satisfaction of the regulatory authority, the deposit is released to the Company.

As at December 31, 2023 and 2022, the Company has recorded a $65,000 provision for reclamation activities related to the Wingdam project based on historical cost estimates and reclamation plans submitted to regulatory authorities. The timing of the reclamation activities cannot be estimated at this time, and will be performed upon the completion of the development of the project.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiaries of such an indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification.

(Expressed in Canadian dollars)

12. Commitments and Contingencies - continued

During the year ended December 31, 2021, the Company closed a flow-through financing and recorded a premium received on flow-through shares in the amount of $nil and is required to expend $1,000,000 before December 31, 2022. As at December 31, 2022 the Company has expended $1,000,000 and has no further expenditure requirement.

During the year ended December 31, 2023, the Company closed a flow-through financing and recorded a premium received on flow-through shares in the amount of $nil and is required to spend $3,219,994. As at December 31, 2023, the Company incurred $333,797 and is required to expend $2,886,197 before December 31, 2024.

13. Financial Instruments

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 1,296,858	$ -	$ -	$ 1,296,858
Investments	$ 5,740	$ -	$ -	$ 5,740

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 119,437	$ -	$ -	$ 119,437
Investments	$ 10,398	$ -	$ -	$ 10,398

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk, price risk, commodity price risk and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) Concentration risk
At December 31, 2023, all of the Company's cash and cash equivalents were held at a recognized Canadian national financial institution. As a result, the Company was exposed to all of the risks associated with that institution. Concentration risk also exists in investments as the investments are primarily in shares of junior resource companies involved in gold exploration.

13. Financial Instruments – continued

b) Credit risk
The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The maximum credit exposure associated with accounts receivable is $92,089 (2022 - $134,927).

c) Currency risk
Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at December 31, 2023, the Company has no monetary assets or liabilities in foreign currencies.

d) Price risk
The Company's investments designated as FVTPL are traded on the TSX Venture Exchange. A 1% change in the quoted share price would not significantly impact the fair value of the investments. The change would be recorded in profit or loss.

e) Commodity price risk
The value of the Company's exploration and evaluation resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

f) Liquidity risk
The Company has a working capital surplus of $679,756 at December 31, 2023 (2022 – deficiency of $561,981) which is not sufficient to meet long term business requirements when taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. Future operations or exploration programs will require additional financing primarily through equity markets, or through joint arrangements.

14. Supplemental Cash Flow Information

Non-cash investing and financing activities:

Included in exploration and evaluation assets is $67,450 (2022 - $93,746) in capitalized depreciation and $253,879 (2022 - $600,123) in exploration costs are included in accounts payable and accrued liabilities.

During the year ended December 31, 2023, the Company received $145,349 (2022 - $nil) in mineral exploration tax credits.

The Company allocated $126,000 (2022 - $6,750) from contributed surplus to share capital upon the exercise of stock options.

The Company recognized $273,280 (2022 - $nil) for the fair value of agent options issued during the year.

Cash and cash equivalents includes a $20,000 (2022 - $nil) GIC held as security.

15. Capital Management

The Company includes cash and cash equivalents and equity, which is comprised of issued common shares, equity component of debenture payable, contributed surplus, and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

16. Comparative Information

The Company has reclassified the presentation of the long term liabilities in the amount of $255,424 as previously presented on the statement of financial position for the year ended December 31, 2022. Previously, the amount was disclosed as long term liabilities and has been reclassified and included in accounts payable and accrued liabilities as at December 31, 2023 and 2022.