CANADIAN SILVER HUNTER INC.

FINANCIAL STATEMENTS

FOR YEARS ENDED

DECEMBER 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Canadian Silver Hunter Inc.

Opinion

We have audited the financial statements of Canadian Silver Hunter Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income (loss) and comprehensive income (loss), statements of cash flows and statements of changes in shareholders' equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 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. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have determined that there were no key audit matters to communicate in our report.

Other information

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

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

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

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

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 22, 2024

Canadian Silver Hunter Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2023	December 31, 2022
	$	$
ASSETS		
Current assets		
Cash	**24,531**	51,153
Sales tax receivable	**2,460**	3,329
Prepaid expenses	**3,850**	10,384
Marketable securities (note 16)	**413,333**	-
Total current assets	**444,174**	64,866
Non-current assets		
Restricted cash equivalent (note 5)	**5,000**	5,000
Equipment (note 6)	**388**	554
Interest in properties and exploration and evaluation expenditures (note 7)	**20,009**	323,816
Total non-current assets	**25,397**	329,370
Total assets	**469,571**	394,236
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables (note 12)	**55,509**	41,714
Total liabilities	**55,509**	41,714
Shareholders' equity		
Issued capital (note 8)	**2,699,978**	2,689,978
Reserves (note 9)	**13,750**	30,150
Deficit	**(2,299,666)**	(2,367,606)
Total shareholders' equity	**414,062**	352,522
Total shareholders' equity and liabilities	**469,571**	394,236

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 7 and 13)

Approved by the Board of Directors:

"Jeffrey Hunter" Director "Tim Towers" Director

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

Canadian Silver Hunter Inc.
Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

Years Ended December 31,	**2023**	2022
Expenses		
Management and consulting fees (note 12)	**$60,000**	$80,054
Professional fees	**63,704**	36,041
Amortization (note 6)	**166**	237
Office and general administrative	**43,171**	44,845
Impairment of exploration and evaluation expenditures	**-**	40,430
Stock based compensation (note 9)	**-**	13,750
Exploration related expenditures	**1,558**	13,538
Interest income	**(90)**	(385)
Flow through premium recovery	**-**	(44,600)
Total expenses	**168,509**	183,910
Other expenses (income)		
Gain on sale of interest in exploration properties (note 7)	**(398,382)**	-
Change in fair value of marketable securities (note 16)	**178,333**	-
Total other expenses (income)	**(220,049)**	-
Net income (loss) and comprehensive income (loss)	**$51,540**	($183,910)
Basic and diluted net income (loss) per share (note 11)	**$0.01**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**28,162,166**	28,019,700

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

Canadian Silver Hunter Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

Years Ended December 31,	2023 $	2022 $
Operating activities		
Net income (loss) for the year	**51,540**	(183,910)
Adjustment for:		
Amortization	**166**	237
Stock-based compensation (note 9)	**-**	13,750
Impairment of exploration and mineral properties	**-**	40,430
Flow-through premium recovery	**-**	(44,600)
Gain on sale of interest in exploration properties (note 7)	**(398,382)**	-
Change in fair value of marketable securities (note 16)	**178,333**	-
Non-cash working capital items:		
Sales tax receivable	**869**	18,620
Prepaid expenses	**6,534**	(4,535)
Trade and other payables	**13,795**	1,934
Net cash (used in) provided by operating activities	**(147,145)**	(158,074)
Investing activities		
Additions to interest in exploration and evaluation expenditures (note 7)	**(44,477)**	(7,944)
Proceeds from sale of interest in exploration properties (note 7)	**165,000**	-
Net cash provided (used in) provided by investing activities	**120,523**	(7,944)
Net change in cash	**(26,622)**	(166,018)
Cash, beginning of year	**51,153**	217,171
Cash, end of year	**$24,531**	$51,153

Supplementary Information	**2023**	2022
Shares issued for property option (note 7)	**$ 10,000**	$ -
Marketable securities received for sale of exploration property	**$ 591,666**	$ -
Options expired (note 9)	**$ 16,400**	$ -

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

Canadian Silver Hunter Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of common shares	Issued capital	Reserves Equity-settled share-based payments	Warrants	Deficit	Total
Balance December 31, 2021	**28,019,700**	**2,689,978**	**24,900**	**127,789**	**(2,319,985)**	**522,682**
Net loss and comprehensive loss	-	-	-	-	(183,910)	(183,910)
Expired warrants	-	-	-	(127,789)	127,789	-
Options granted	-	-	13,750	-	-	13,750
Options expired	-	-	(8,500)	-	8,500	-
Balance December 31, 2022	**28,019,700**	**2,689,978**	**30,150**	**-**	**(2,367,606)**	**352,522**
Shares issued for property	500,000	10,000	-	-	-	10,000
Net income and comprehensive income	-	-	-	-	51,540	51,540
Options expired	-	-	(16,400)	-	16,400	-
Balance December 31, 2023	**28,519,700**	**2,699,978**	**13,750**	**-**	**(2,299,666)**	**414,062**

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

1. Nature of operations and going concern

Canadian Silver Hunter Inc. (the “Company”) is an exploration stage business enterprise incorporated under the laws of the Business Corporations Act (Ontario) on April 7, 2006, and is principally engaged in the business of exploring and developing certain gold and silver metal mineral properties. Substantially all the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The registered head office of the Company is located at 65 Harbour Square # 904 Toronto, Ontario, M5J 2L4.

These financial statements were approved and authorized by the Board of Directors on April 22, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these financial statements. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the Company’s interest in property and exploration and evaluation expenditures, and the Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

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

On December 31, 2023 the Company had a working capital of $388,665 (December 31, 2022– $23,152), had not yet achieved profitable operations, had accumulated losses of $2,299,666 (December 31, 2022– $2,367,606) and expects to incur further losses in the exploration of its mineral property interests.

While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. The Company will require additional financing to conduct its planned work programs on exploration properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these financial statements.

2. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The policies set out below have been consistently applied to all periods presented.

Basis of presentation

The financial statements have been prepared on the historical cost basis except for marketable securities and restricted cash equivalent, which are measured at fair value as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, and cashable Guaranteed Investment Certificates ("GIC") which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Presentation and functional currency

These financial statements are presented in Canadian dollars, the currency of the primary economic environment in which the Company operates. The Company's functional currency is the Canadian dollar.

Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value and, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by considering any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of income (loss). Cash is measured at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of income (loss). The Company measures its marketable securities and restricted cash equivalent at FVPL.

2. Significant accounting policies (continued)

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of income (loss) and when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are amounts receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

<u>Financial liabilities</u>

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by considering any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of income (loss).

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the statements of income (loss).

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2. Significant accounting policies (continued)

As of December 31, 2023 and 2022 the Company classified its restricted cash equivalent as Level 2 within the fair value hierarchy. The Company classified its marketable securities as Level 1 within the fair value hierarchy.

Interest in exploration properties and exploration and evaluation expenditures

All direct costs related to the acquisition of exploration property interests are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of the project. Exploration and evaluation expenditures are recorded at cost at the date of acquisition. All direct costs related to the acquisition, exploration and development of exploration properties are capitalized until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be impairment. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit-of-production method following commencement of production. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss in the statement of income (loss).

Farm-outs in the exploration phase

The Company does not record any expenditures made by the farmee on its accounts. Any cash consideration received directly from the farmee is credited against costs expensed in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of an exploration property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. The timing of the actual expenditure is dependent on several factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Changes in estimates of decommissioning costs are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit and loss. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses. The Company had no material restoration, rehabilitation and environmental obligations as of December 31, 2023 and 2022.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation because of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, 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. The increase in provision due to passage of time is recognized as interest expense.

2. Significant accounting policies (continued)

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. At the end of each financial position reporting date, provisions are reviewed and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation.

The Company had no material provisions as of December 31, 2023 and 2022.

Equipment

Equipment is stated at cost less accumulated amortization and accumulated impairment losses and is amortized on a declining balance basis at 30% per annum.

Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the statements of income (loss) and comprehensive income (loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At each reporting date, the Company assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the statement of income (loss).

Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2. Significant accounting policies (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income (loss) per share

The Company presents basic and diluted income (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The Company's diluted income (loss) per share for the periods presented does not include the effect of stock options and warrants as they are anti-dilutive.

Segment reporting

The Company operates in a single reportable operating segment, the acquisition, exploration, and development of silver projects in Canada. As operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through shares

Flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow through expenditure is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of income (loss).

2. Significant accounting policies (continued)

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value is determined at the grant date of the equity-settled share-based payments and is recognized on a graded vesting basis over the period during which the employee becomes unconditionally entitled to the equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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

Upon expiration, the value of options and warrants is reclassified to deficit.

Significant accounting judgments and estimates

The application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are 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 future periods if the revision affects both current and future periods.

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

Impairment of interest in exploration properties and exploration and evaluation expenditures

While assessing whether any indications of impairment exist for interest in exploration properties and exploration and evaluation expenditures, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the way exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in silver price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

2. Significant accounting policies (continued)

Estimation of decommissioning and restoration costs and the timing of expenditure

Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine or restoration of the property. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income, value added, withholding and other taxes

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

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies

Notes 1 and 13.

New accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine the impact on the Company.

IAS1 - Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments clarify that the transfer of a company's own equity instruments regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. Amendments are effective for annual periods beginning January 1, 2024.

3. Capital risk management

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be shareholders equity, which comprises issued capital, reserves, and deficit, which on December 31, 2023, totaled $414,063 (December 31, 2022 - $352,522).

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fundraising.

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

4. Financial risk management

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

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no significant changes in the risks, objectives, policies, and procedures from the previous year.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company has no significant concentration of credit risk arising from its operations. Cash and restricted cash equivalent are held at select Canadian financial institutions, from which management believes the risk of loss to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient working capital to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether because of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2023 the Company had a current asset balance of $444,174 (December 31, 22 - $64,866) to settle current liabilities of $55,509 (December 31, 2022 - $41,714).

All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. See notes 7 and 13.

Market risk

(a) Interest rate risk
The Company has cash and cash equivalent balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest - bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

4. Financial risk management (continued)

(b) Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and all expenditures are transacted in Canadian dollars. As a result, the Company’s exposure to foreign currency risk is minimal.

(c) Commodity price risk
The Company is exposed to price risk with respect to gold and silver prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to silver and cobalt price movements and volatilities. The Company closely monitors silver prices to determine the appropriate course of action to be taken by the Company.

(d) Price risk
The Company is exposed to share price risk related to its marketable securities.

Sensitivity analysis

As of December 31, 2023 and 2022 both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature.

Based on management's knowledge and experience of the financial markets, the Company believes that there would be no impact to net income for the year ended December 31, 2023 because of changes in interest and foreign exchange rates.

Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of silver and cobalt. Silver and cobalt prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold, silver or cobalt may be produced in the future, a profitable market will exist for them. As of December 31, 2023 and 2022 the Company was not a gold, silver or cobalt producer. Gold, silver and cobalt price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

A change in the share price of the Company’s marketable securities of 10% would result in a corresponding change to net income in the amount of approximately $41,000 based on the value of marketable securities on hand at December 31, 2023.

5. Restricted cash equivalents

The Company has a corporate credit card with a major financial institution with an aggregate credit limit of $5,000. As at December 31, 2023 the financial institution holds $5,000 in a cashable Guaranteed Investment Certificate (December 31, 2022 - $5,000) as collateral on the credit amount as long as the credit card is active. The restricted cash amount would change if there was any change in the credit limit on the card.

(Expressed in Canadian Dollars)

6. Equipment

	Exploration equipment	Computer equipment	Furniture and fixtures	Total
Balance, December 31, 2023, 2022 and 2021	$ 6,000	$ 9,753	$ 969	$ 16,722
Accumulated amortization				
Balance, December 31, 2021	$ 5,580	$ 9,396	$ 955	$ 15,931
Amortization during the year	126	107	4	237
Balance, December 31, 2022	$ 5,706	$ 9,503	$ 959	$ 16,168
Amortization during the year	88	75	3	166
Balance, December 31, 2023	$ 5,794	$ 9,578	$ 962	$ 16,334
Carrying value				
Net carrying value, December 31, 2021	$ 420	$ 357	$ 14	$ 791
Net carrying value, December 31, 2022	$ 294	$ 250	$ 10	$ 554
Net carrying value, December 31, 2023	$ 206	$ 175	$ 7	$ 388

7. Interest in exploration property and exploration and evaluation expenditures

The Company held a 100% interest in certain mineral exploration interests and all technical information and data related thereto (the “South Lorrain Project”). The South Lorrain Project is in South Lorrain Township, Larder Lake Mining Division, Ontario and is comprised of the past producing Keeley and Frontier silver-cobalt mines, the Veinlode Silver Mines mining leases, the Montreal River Extension claims and the Tooth Lake claim.

In 2020, the Company acquired additional mining claims by staking in Quebec and Ontario. The Ontario claims are in the area of the Keeley Frontier Mines in Lorrain and South Lorrain townships, Cobalt, Ontario. The total cost to acquire the claims for staking were $10,406.

On October 23, 2020 the Company entered into an agreement with Timothy Towers, a director of the Company, for the exclusive right and option to acquire a 100% interest in “The Lost Dog Property” in Denton Township Timmins, Ontario. To earn a 100% interest in the property, the Company must:

- Pay (paid) $5,000 and issue 250,000 common shares of the Company upon signing the agreement. The shares were issued in 2020 and valued at $0.095 being the quoted market price on the date of issuance;
- Incur $25,000 (paid) in exploration expenditures before August 4, 2021.
- Pay $10,000 (paid) and issue 250,000 common shares of the Company before October 1, 2021; The shares were issued in 2021 and valued at $0.065 being the quoted market price on the date of issuance.
- Incur exploration expenditures of $50,000 before August 4, 2022 (completed).
- Pay $50,000 and issue 500,000 common shares of the Company before October 1, 2022; and
- Incur $50,000 in exploration expenditures before August 4, 2023.

As at December 31, 2022 the Company and Mr. Towers had extended the deal to October 2023 with a reduction in

(Expressed in Canadian Dollars)

7. Interest in exploration property and exploration and evaluation expenditures (continued)

cash payment to $40,000 and expenditures of $125,000 assessment filed on the property by January 31, 2023.

On September 18, 2023, the Company exercised the option with Mr. Towers by paying out $40,000 in cash and issuing 500,000 common shares with fair market value of $10,000 based on the quoted market price on the date of issuance. In September 2023 the Company sold it's 100% interest in the Lost Dog Property to 15083974 Canada Inc. for a $165,000 cash payment. The Company retains a 1 % net smelter return on the property and Mr. Towers retains a 2% return on the property.

On January 5, 2021 the Company added to its Quebec Properties by incurring staking costs for additional claims in the Windfall Lake Area of Northern Quebec.

On January 20, 2021 the Company added certain claims in Carscallen Township area of Timmins, Ontario. The claims were acquired with 100 % ownership for the issuance of 100,000 common shares of the Company.

On January 27, 2021 the Company acquired the Dark Horse Property in West Timmins, Timmins, Ontario. The acquisition cost of the claim package through an arms length transaction was the issuance of 400,000 common shares of the Company. The shares were valued at $0.08 being the quoted market price on the date of issuance.

As at December 31, 2022 the Dark Horse and Carscallen claims have lapsed, and the Company has taken an impairment charge as an expense in 2022 and written off the carrying amount of claims.

In March 2023, the Company sold it's 100% interest in the Company's Cobalt area assets, to Kuya Silver Corporation ("Kuya"), including the Keeley – Frontier Silver Mine. Kuya issued 1,666,667 common shares to the Company in exchange for the interest in the mineral properties. The participants also agreed that 25% of the shares subject to a will be subject to a hold from sale for 6 months and an additional 25% of the shares to a nine-month hold. The Company retains a 2% net smelter royalty (NSR) on all future production on the properties.

A continuity of changes in interest in exploration property and exploration and evaluation expenditures is as follows:

		Acquisition costs		**Exploration and evaluation expenditures**		**Total**
Balance, December 31, 2021	$	94,406	$	261,896	$	356,302
Additions		-		7,944		7,944
Reductions		(40,430)		-		(40,430)
Balance, December 31, 2022	$	53,976	$	269,840	$	323,816
Additions		50,000		2,880		52,880
Reductions		(83,967)		(272,720)		(356,687)
Balance December 31, 2023	$	20,009	$	-	$	20,009

8. Issued capital

a) Authorized share capital

At December 31, 2023 and 2022 the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(Expressed in Canadian Dollars)

8. Issued capital (continued)

b) Common shares issued

	Number of common shares	Amount
Balance December 31, 2022 and 2021	28,019,700	$ 2,689,978
Common Shares Issued for Lost Dog Property (note 7)	500,000	10,000
Balance December 31, 2023	28,519,700	$ 2,699,978

9. Stock options

The Company has adopted a stock option plan dated May 18, 2011 (the "Plan") for senior officers, directors, employees, and consultants of the Company (collectively, "Optionees"). The Plan is intended to advance the interests of the Company by providing additional performance incentives for Optionees, encouraging common share ownership by Optionees, and increasing their proprietary interests in the Company, encouraging Optionees to remain with the Company, and attracting new personnel to join the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding share capital as at the date of grant. This is a "rolling plan" as the number of common shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. If a stock option expires, is exercised or otherwise terminates for any reason, the number of common shares in respect of that expired, exercised or terminated stock option shall again be available for grant under the Plan. The exercise price and vesting schedule of an option shall be determined by the Board of Directors at the time each option is granted, provided that such exercise price shall not be less than the last closing price of the common shares. There are limits on the number of options that may be granted to insiders and any one individual under the Plan.

The Company's stock option transactions during the years ended December 31, 2023, and 2022 are as follows:

	Number of stock options	Weighted average exercise price	Estimated grant date fair value
Balance, December 31, 2021	650,000	$ 0.08	$ 24,900
Expired	(350,000)	0.10	(8,500)
Granted	900,000	0.07	13,750
Balance December 31, 2022	1,200,000	$ 0.07	$ 30,150
Expired	(650,000)	0.05	(16,400)
Balance December 31, 2023	550,000	$ 0.05	$ 13,750

The following table reflects the stock options issued and outstanding as of December 31, 2023:

	Exercise price	Weighted average remaining contractual life (years)	Number of options outstanding	Estimated grant date fair value	Number of options vested (exercisable)
September 19, 2027	$0.05	3.70	550,000	13,750	550,000
Balance December 31, 2023		3.70	550,000	13,750	550,000

(Expressed in Canadian Dollars)

10. Warrants

As part of the private placements closed on April 9, 2021 4,992,500 warrants were issued by the company at an exercise price of $0.11 per warrant with an expiry date of April 9, 2022. Additionally, 335,400 finder's warrants were also issued with an expiry date of April 9, 2022. The estimated fair value of warrants was $ 127,789 using the Black Scholes method. All warrants expired during 2022. As of December 31, 2023 and 2022, there are no warrants outstanding.

11. Net income (loss) per share

The calculation of basic and diluted income per share for the year ended December 31, 2023 was based on the income attributable to common shareholders of $51,450 (2022– $183,910 loss) and the weighted average number of common shares outstanding of 28,162,166 (2022– 28,019,700). Diluted loss per share for the year ended December 31, 2023 did not include the effect of 550,000 (2022 – 1,200,000) stock options.

12. Related party balances and transactions

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into the following transactions with related parties:
In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non- executive) of the Company. The remuneration of directors and key management of the Company for the years ended December 31, 2023 and 2022 was as follows:

	2023	2022
Jeffrey Hunter, CEO (1)	**$ 60,000**	$ 80,054
Tim Towers, Director (4)	**7,975**	8,125
Stock based compensation	**-**	13,750
Total	**$ 67,975**	$ 101,929

(1) The Company has entered into an agreement with Jeffrey Hunter (the "Agreement") to provide services to the Company in the general capacity of President and CEO and to undertake the duties and exercise the powers associated with this role. Under the terms of the Agreement, the CEO is contracted by the Company for an indefinite term, commencing as of January 1, 2012. The Company will pay the CEO $60,000 per annum. The Agreement requires additional contingent payments equal to 30 months of salary upon the occurrence of a change of control or termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements. In the year the CEO has been added as an employee and as such the Company has remitted payroll deductions on his behalf. As at December 31, 2023 $1,796 was included in accounts payable and accrued liabilities as owing to this individual. The balance is unsecured, non-interest bearing and due on demand.

(2) The Board of Directors do not have employment or service contracts with the Company and did not receive any remuneration for their services and neither are they entitled to any termination benefits. None of the directors are entitled to pension benefits.

(3) The Company is controlled by Jeffrey Hunter, (President and CEO of the Company). As of December 31, 2023 8,493,700 (2022 – 8,493,700) common shares were held by Jeffrey Hunter and his immediate family representing 29.8% (2022– 30.3%).

(4) The Company employs the services of a professional accountant who acts as a director of the Company to perform accounting services for the Corporation in the year. The director was paid $7,975 (2022- $8,125) for accounting services.

(Expressed in Canadian Dollars)

12. Related party balances and transactions (continued)

[5] See notes 7 and 9.

13. Commitments and contingencies

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company has indemnified the subscribers of previous flow-through share offerings against any tax related amounts that may become payable by the subscribers because of the Company not meeting its expenditure commitments.

Pursuant to the terms of the flow-through share agreement entered in 2021, the Company was committed to spend $ 223,000 in eligible exploration and evaluation expenses by December 31, 2022. The Company has spent all applicable flow-through funds during 2023.

14. Segmented information

The Company operates in one business segment, the exploration for gold and silver.

15. Income tax

(a) Provision for income taxes

The following table reconciles the expected income tax provision at the statutory income tax rate of 26.5% (2022 - 26.5%) to the amounts recognized in the statements of income (loss) and comprehensive income (loss):

For the year ended December 31,	**2023 $**	2022 $
Net Income (Loss)	**51,540**	(183,910)
Expected income tax payable (recovery) based on statutory rate	**14,000**	(49,000)
Adjustments to benefit resulting from:		
Stock-based compensation	**-**	4,000
Flow-through renunciation	**-**	59,000
Benefit of tax assets not recognized	**10,000**	14,000
Change in unrecorded deferred tax asset	**(24,000)**	-
	-	-

(Expressed in Canadian Dollars)

15. Income tax (continued)

(b) Temporary differences

The tax effects of temporary differences give rise to deferred income tax assets and liabilities at December 31, 2023 and 2022. As at December 31, 2023 and 2022, the Company had not recognized the following temporary differences and tax losses:

As at December 31,	**2023** **$**	2022 $
Non-capital loss carry-forwards	**262,000**	770,000
Exploration and evaluation costs	**1,742,000**	2,139,000
Other temporary differences	**16,000**	16,000
Marketable securities	**178,000**	-
Share issue costs	**12,000**	18,000
Total	**2,210,000**	2,943,000

Based on the level of historical taxable income, it cannot be reasonably determined if the Company will realize the benefits from deferred income tax assets. As at December 31, 2023 the Company has approximately $1,742,000 of cumulative Canadian exploration and development expenditures available to apply against future income. As at December 31, 2023, the Company has available losses for income tax purposes in Canada totaling approximately $262,000, which expire over the years 2035 to 2043.

16. Investments

On March 24, 2023, the Company closed a transaction whereby Kuya Silver Corporation Ltd. (TSXV: KUYA) ("Kuya") acquired a 100% interest in certain mineral properties from the Company in exchange for the issuance to the Company of 1,666,667 common shares in the capital of Kuya. The common shares received in the capital of Kuya were recorded as marketable securities, at fair value determined using Kuya’s closing share price of $0.36 on March 24, 2023. Those common shares are classified as a financial asset measured at fair value through profit or loss (“FVPL”). During the year ended December 31, 2023, $178,333 was recorded as a change in fair value of investment on the consolidated statements of income (loss).