CAROLINA RUSH CORPORATION

(formerly, Pancontinental Resources Corporation)

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

EXPRESSED IN CANADIAN DOLLARS

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

43 Church Street, Suite 500 + P.O. Box 1237 + St. Catharines, ON + L2R 7A7
phone 905.688.4842 fax 905.688.1746
www.jonesoconnell.ca

Independent Auditor's Report

To the Shareholders of Carolina Rush Corporation (formerly, Pancontinental Resources Corporation)

Opinion

We have audited the consolidated financial statements of **Carolina Rush Corporation (formerly, Pancontinental Resources Corporation)** ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Carolina Rush Corporation (formerly, Pancontinental Resources Corporation)** 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 International Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a compreshensive loss for the year of $1,992,074 and had an accumulated deficit of $37,173,699. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Evaluation of Material Uncertainty Related to Going Concern

Description of the matter

We draw attention to Note 1 to the financial statements. At each reporting date, the Company assesses its ability to continue as a going concern. Whether the Company is able to continue as a going concern is a significant management judgment.

Why the matter is a key audit matter

We identified the evaluation of the Company's ability to continue as a going concern as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:

We evaluated the appropriateness of the Company's key strategy to resolve the situation given the current financial position and cash flows from operations.

To the Shareholders of Carolina Rush Corporation (formerly, Pancontinental Resources Corporation) (Continued)

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 the auditors' 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 International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 a 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:

- Identity 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 a 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.

To the Shareholders of Carolina Rush Corporation (formerly, Pancontinental Resources Corporation) (Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
April 22, 2024

CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

As at		December 31 2023		December 31 2022
ASSETS				
Current				
Cash and cash equivalents	**$**	**1,042,710**	$	264,774
Royalty receivable (note 14)		**-**		1,928
Sales tax receivable		**8,100**		10,955
Prepaid expenses and deposits		**52,059**		42,057
		1,102,869		319,714
Investment in Voltage Metals Corp. (note 11)		**19,048**		31,746
	$	**1,121,917**	$	351,460
LIABILITIES				
Current				
Accounts payable and accrued liabilities (note 6)	**$**	**695,717**	$	359,464
Reclamation provision (note 10)		**132,710**		108,944
		828,427		468,408
EQUITY (DEFICIT)				
Share capital (note 7)		**27,859,258**		26,512,217
Warrants (note 8)		**2,774,412**		2,941,747
Contributed surplus		**6,833,519**		5,610,713
Deficit		**(37,173,699)**		(35,181,625)
		293,490		(116,948)
	$	**1,121,917**	$	351,460

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 10, 13)
Subsequent events (note 18)

See accompanying notes.

Approved by the Board of Directors *"David Petroff"* Director (Signed) *"Thomas Layton Croft"* Director (Signed)

CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

Years ended December 31,	2023	2022
Expenses		
Corporate and administrative (notes 9, 12)	**$ 943,585**	845,030
Exploration and evaluation (note 10)	**827,785**	1,445,659
Share-based payments (notes 7, 12)	**245,865**	24,889
	(2,017,235)	(2,315,578)
Other income (expenses)		
Royalty revenue (note 14)	**2,027**	1,928
Interest income	**3,000**	-
Gain on debt settlement (note 7)	**25,644**	-
Interest expense (note 12)	**(2,800)**	(1,002)
Gain on exchange of Voltage Metals shares (note 11)	**-**	140,476
Unrealized loss on investment in Voltage Metals (note 11)	**(12,698)**	(158,730)
Impairment of investment in Tortuga Resources	**-**	(1)
Foreign exchange gain (loss)	**9,988**	(4,985)
	25,161	(22,314)
Net loss and comprehensive loss	**$ (1,992,074)**	$ (2,337,892)
Basic and diluted loss per share (note 15)	**$ (0.060)**	$ (0.087)
Weighted average number of common shares outstanding: Basic and diluted *	**33,322,725**	26,791,096

* Reflects a share consolidation of 1 new share for every 10 old shares that became effective on March 2, 2023.

See accompanying notes.

CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(expressed in Canadian dollars)

	Share capital			Contributed		
	Number*	**Amount**	**Warrants**	**surplus**	**Deficit**	**Total**
Balance, December 31, 2021	25,379,725	$ 25,534,536	$ 2,577,867	$ 5,483,901	$ (32,843,733)	$ 752,571
Units issued by private placements (notes 7, 8)	2,026,500	1,173,417	447,783	-	-	1,621,200
Broker/Finder warrants (notes 7, 8)	-	(29,674)	29,674	-	-	-
Share issuance costs	-	(192,216)	-	-	-	(192,216)
Exercise of options (note 7)	20,000	26,154	-	(11,654)	-	14,500
Warrants expired (note 8)	-		(113,577)	113,577	-	-
Share-based payments (note 7)	-	-	-	24,889	-	24,889
Net loss for the year	-	-	-	-	(2,337,892)	(2,337,892)
Balance, December 31, 2022	27,426,225	26,512,217	2,941,747	5,610,713	(35,181,625)	(116,948)
Units issued by private placements (notes 7, 8)	14,904,936	1,513,835	721,905	-	-	2,235,740
Compensation units for services (notes 7, 8)	344,006	34,939	16,662	-	-	51,601
Broker/Finder warrants (notes 7, 8)	-	(71,039)	71,039	-	-	-
Shares issued for debt (note 7)	189,955	31,343	-	-	-	31,343
Share issuance costs	-	(162,037)	-	-	-	(162,037)
Warrants expired	-	-	(976,941)	976,941	-	-
Share-based payments (note 7)	-	-	-	245,865	-	245,865
Net loss for the year		-	-	-	(1,992,074)	(1,992,074)
Balance, December 31, 2023	**42,865,122**	**$ 27,859,258**	**$ 2,774,412**	**$ 6,833,519**	**$ (37,173,699)**	**$ 293,490**

* Reflects a share consolidation of 1 new share for every 10 old shares that became effective on March 2, 2023

See accompanying notes.

CAROLINA RUSH CORPORATION (formerly, Pancontinental Resources Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

Years ended December 31,	2023	2022
Operating activities		
Loss for the year	**$ (1,992,074)**	$ (2,337,892)
Adjustments to reconcile loss to net cash used:		
Share-based payments	**245,865**	24,889
Gain on debt settlement	**(25,644)**	-
Gain on exchange of Voltage Metals shares	**-**	(140,476)
Unrealized loss on investment in Voltage Metals	**12,698**	158,730
Impairment of investment in Tortuga Resources	**-**	1
Unrealized foreign exchange	**(6,208)**	4,337
	(1,765,363)	(2,290,411)
Net changes in non-cash working capital items		
Royalty receivable	**1,928**	(1,928)
Sales tax receivable	**2,855**	5,833
Prepaid expenses and deposits	**(10,905)**	40,999
Accounts payable and accrued liabilities	**408,444**	38,538
Reclamation provision	**26,409**	102,272
	(1,336,632)	(2,104,697)
Financing activities		
Loan proceeds (note 12)	**145,866**	100,000
Loan repayments (note 12)	**(145,866)**	(100,000)
Units issued by private placements	**2,235,740**	1,621,200
Proceeds from exercise of options	**-**	14,500
Share issuance costs	**(110,436)**	(192,216)
	2,125,304	1,443,484
Net change in cash	**788,672**	(661,213)
Cash and cash equivalents, beginning of year	**264,774**	918,383
Effect of exchange rate changes on cash	**(10,736)**	7,604
Cash and cash equivalents, end of year	**$ 1,042,710**	$ 264,774
Supplemental disclosure		
Shares issued for debt	**$ 56,987**	$ -
Compensation units for services	**$ 51,601**	$ -
Broker/Finder warrants	**$ 71,039**	$ 29,674
Interest income accrued	**$ 3,000**	$ -
Loan interest paid	**$ 2,800**	$ 1,000

1. NATURE OF OPERATIONS AND GOING CONCERN

Carolina Rush Corporation, formerly, Pancontinental Resources Corporation (the "Company"), is a publicly-listed exploration company involved in the business of acquiring, exploring and developing mineral properties. On March 2, 2023, the name of the Company was changed, and the Company consolidated its common shares on the basis of 1 new common share for every 10 old common shares. All share and per share information in the consolidated financial statements, including references to the number of common shares, warrants, prices of issued shares, exercise prices of warrants, and earnings (loss) per share, have been adjusted to reflect the impact of the share consolidation. The Company's shares are listed on the TSX Venture Exchange under the trading symbol "RUSH" and on the United States OTCQB Venture Market under the trading symbol "PUCCF". The address of the Company's registered office is 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

<u>Going Concern</u>
The business of exploration, development and mining of minerals involves a high degree of risk and there can be no assurances that future exploration activities will result in the discovery of economically recoverable mineral deposits. The success and continuation of the Company as a going concern is dependent upon the Company's ability to arrange financing, which in part, depends on prevailing market conditions, acquiring or discovering economically viable mineral properties, exploration success, and securing title and beneficial interest in its properties.

Further funds will be required for the Company to continue as a going concern, fulfil its obligations and fund its activities. The Company does not produce revenues from its exploration activities or have a regular source of cash flow. There can be no assurance that the Company will be able to obtain sufficient financing in the future or at favourable terms.

As at December 31, 2023, the Company had a working capital surplus of $274,442 (December 31, 2022 - $148,694 deficiency), incurred a loss for the current year of $1,992,074 (2022 - $2,337,892), and, had an accumulated deficit of $37,173,699 (December 31, 2022 - $35,181,625). To enhance its working capital, on April 3, 2024, the Company completed a private placement for gross proceeds of $3,227,000 (note 18).

These consolidated financial statements have been prepared using accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, due to uncertainties surrounding a number of factors, such as, but not limited to, the ability to raise additional funds, ability to acquire mineral properties, exploration results, prices of underlying commodities, investor sentiment and financial market conditions, it is not possible to predict if this assumption will prove to be accurate. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not include the necessary adjustments to reflect the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

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

These consolidated financial statements for the year ended December 31, 2023, were approved and authorized for issuance by the Company's board of directors on April 22, 2024.

BASIS OF PREPARATION (continued)

Basis of Consolidation and Presentation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Pancon Resources Carolinas Corp. ("PRC"), a United States company; and, Maya Gold Corporation S.A. de C.V., an inactive Honduras company. All significant inter-company transactions and balances have been eliminated upon consolidation.

These consolidated financial statements are prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss. These consolidated financial statements are presented in Canadian dollars, which is the Company's and PRC's functional currency.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the Company's management to make certain estimates and judgements that they consider reasonable and realistic. These estimates and judgements are based on historical experience, future expectations, economic conditions and other factors. Despite regular reviews, changes in circumstances and assumptions may result in changes in these estimates and judgements, which could materially impact the reported amount of the Company's assets, liabilities, equity or earnings. By their nature, estimates and judgements are subject to measurement uncertainty and actual results could vary from estimates.

Significant estimates relate to:

- measurement of share-based payments and warrant valuation;
- measurement of shares issued to settle debt;
- measurement and impairment of investments;
- recognition of deferred tax assets and liabilities; and,
- establishment of provisions.

Significant judgements relate to:

- ability to continue as a going concern;
- functional currency of the Company and its subsidiary; and,
- choice of accounting policy for exploration and evaluation.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

Adoption of IAS 1 – Presentation of Financial Statements
The IASB issued an amendment to IAS 1, Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date. The amendment further clarifies that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty. On January 1, 2023, the Company adopted IFRS 9, which did not have any effect on the Company's financial statements.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, term deposits that are cashable on demand and other short-term highly liquid investments with original maturities of three months or less.

Exploration and Evaluation
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are first tested for impairment and then capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Option payments received from optionees are treated as a recovery of the related exploration and evaluation properties costs and are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Financial Instruments
The classification of a financial instrument is made at the time it is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit and loss (FVTPL) or if the Company has opted to measure them at FVTPL.

A debt instrument that meets both the business model test and cash flow characteristics test must be measured at amortized cost (net of any write down for impairment) unless the asset is designated at FVTPL, under the fair value option.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as fair value through other comprehensive income (FVTOCI).

If certain conditions are met, the classification of a financial asset, debt instrument or equity instrument may subsequently need to be reclassified.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Transaction costs and any realized or unrealized gains or losses arising from changes in the fair value of the financial asset or liability held at FVTPL are included in the consolidated statements of operations and comprehensive loss in the period in which they arise.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:
- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of operations and comprehensive loss.

Foreign Currency Translation
Foreign currency transactions are initially recorded in the entity's functional currency at the transaction date exchange rate. At each reporting date, monetary assets and liabilities that are denominated in a foreign currency are translated into the functional currency using the end of the reporting period exchange rate. All foreign currency adjustments are recognized in the statement of operations and comprehensive loss.

Income Taxes
Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the period using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred assets and liabilities are recognized for the future tax consequences attributable to the difference between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply when the asset is realized or the liability settled. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be recognized.

Interest
The Company classifies interest received and interest paid as an operating cash flow within the statement of cash flows.

Leases
This standard provides a comprehensive model for the identification, measurement and disclosure of lease arrangements. This standard eliminates the classification of material leases as either an operating or finance lease, and instead, these leases are to be recognized as assets and liabilities.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contracts conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
- The contract involves the use of an identified asset – this may be specific explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when is has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

SIGNIFICANT ACCOUNTING POLICIES (continued)

If a contract is assessed to contain a lease, the Company recognizes a lease liability with a corresponding right-of-use (“ROU”) asset on the date at which the leased asset is available for use by the Company. ROU assets are measured at cost, which includes the amount of the lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Purchase, renewal and termination options that are reasonably certain of being exercised are also included in the measurement of the lease liability. ROU assets are subject to impairment.

The Company recognizes a lease liability at the commencement date of a lease, measured at the present value of the lease payments to be made over the lease term. The measurement of the Company’s lease liabilities depends on the interest rate implicit in the lease used to discount the remaining lease payments. In calculating the present value of lease payments, the Company uses an incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that the Company assumes it would have to pay to borrow over a similar term, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment. Significant assumptions are required to be made on the basis for which the incremental borrowing rate was derived. These assumptions are considered to be a key source of estimation uncertainty. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company uses the following practical expedients and recognition exemptions when assessing leases:

- exemption to not recognize right-of-use ("ROU") assets and liabilities for leases with a remaining lease term of less than 12 months;
- exemption to not recognize ROU assets and liabilities for leases with low value;

The lease liability is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss when the carrying amount of the right-of-use asset has been reduced to nil.

Loss per Share
The computation of loss per share and diluted loss per share amounts are based upon the weighted average number of outstanding common shares during the year. Dilution is calculated based on the net number of common shares issued should "in the money" options and warrants be exercised and the proceeds used to purchase common shares at the weighted average market price in the period.

Provisions
A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to discharge the obligation. 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, where appropriate, the risks specific to the liability.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Payments
The Company accounts for share-based payments using the fair value based method. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche of options issued to employees and others providing similar services is determined by using the Black-Scholes option pricing model. The fair value of each tranche of options issued to non-employees is determined by the fair value of the goods or services received. If the fair value of goods or services received cannot be reliably measured, then the Black-Scholes option pricing model or share price is used.

The fair value of stock options, adjusted for expected forfeitures, is recognized as share-based payments expense over each tranche's vesting period with an offsetting credit charged to contributed surplus. The applicable contributed surplus is transferred to share capital if and when, the stock options are exercised. The fair value of stock options remains in contributed surplus on expiry of options. Any consideration paid on the exercise of stock options is credited to share capital.

Share Issue Costs
Share issue costs are recorded as a reduction of share capital.

Royalty Revenue
Royalty revenue is recognized pursuant to the terms of the applicable royalty agreement and when collection is reasonably assured.

Warrants
The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants based on their relative fair value. Unit proceeds are allocated to shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing.

If and when the warrants are exercised, the applicable relative fair value recognized in warrants is transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For those warrants that expire unexercised on maturity, the recorded value is transferred to contributed surplus.

In situations where warrants are issued as consideration for goods and services received and some or all of the goods or services received cannot be specifically identified or reliably measured, then these warrants are measured at the fair value of the share-based payment. The fair value of the share-based payment is determined using the Black-Scholes option pricing model.

5. CAPITAL MANAGEMENT

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the exploration and development of its mineral properties and the acquisition of other mineral properties for the benefit of its shareholders.

The Company considers its capital structure to consist of shareholder equity. In order to maintain its capital structure the Company is dependent on equity funding and loans from related parties. Funding through equity instruments is comprised of common shares, warrants and incentive stock options. The Board of Directors does not establish quantitative targets on its capital criteria for management, however, it relies on management to review its capital management methods and requirements on an ongoing basis and make adjustments, accordingly, to sustain future development of the business.

(expressed in Canadian dollars)

CAPITAL MANAGEMENT (continued)

There were no changes in the Company's management of its capital during the year. The Company is not subject to any externally imposed capital requirements.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31 2023		December 31 2022
Suppliers	$	187,079	$	112,445
Accrued liabilities		89,372		37,554
Related parties (note 12)		419,266		209,465
	$	695,717	$	359,464

7. SHARE CAPITAL

Authorized
Unlimited common shares
Unlimited preferred shares

Shares Issued – Private Placements
On April 19, 2022, the Company closed the first tranche of a best efforts brokered private placement for gross proceeds of $1,245,200 by issuing 1,556,500 units at $0.80 per unit. On May 13, 2022, the Company closed the second and final tranche of the private placement for additional gross proceeds of $376,000 by issuing 470,000 units. The Company received total gross proceeds of $1,621,200 and issued a total of 2,026,500 units. Each unit consists of one common share and one common share purchase warrant. Each unit warrant entitles the holder thereof to purchase one additional common share at an exercise price of $1.40 for a period of 24 months from closing. The fair value of the warrants was estimated at $447,783 using the relative fair value method. In the event that the daily volume weighted average price (or closing bid price on days when there are no trades) of the common shares of the Company on the TSX Venture Exchange is at least $2.50 per common share for a minimum of twenty (20) consecutive trading days, the Company may provide written notice to holders of the unit warrants that they are required to exercise the unit warrants within twenty (20) days following the date of delivery of such written notice.

As consideration for the services of the broker, the Company issued 74,670 broker warrants (tranche 1 – 66,195 broker warrants/tranche 2 – 8,475 broker warrants), each with an exercise price of $0.80. Each broker warrant entitles the holder to purchase one broker unit consisting of one common share and one share purchase warrant that entitles the holder to purchase one additional common share at an exercise price of $1.40 for a period of 24 months from closing. The fair value of the broker warrants was estimated at $29,674 using the Black-Scholes option pricing model. In addition, the Company paid cash commissions of $59,736.

On August 15, 2023, the Company closed a non-brokered and brokered private placement for gross proceeds of $2,235,740 by issuing 14,904,936 units at $0.15 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.20 for a period of 36 months from the date of closing. The fair value of the warrants was estimated at $721,905 using the relative fair value method.

(expressed in Canadian dollars)

SHARE CAPITAL (continued)

To compensate the broker and finders, the Company issued 344,006 units in lieu of cash commissions of $51,601. These compensation units have identical terms as the units issued under the private placement. The fair value of the compensation unit warrants was estimated at $16,662 using the relative fair value method. In addition, the Company issued 573,343 broker warrants. Each broker warrant entitles the holder to purchase one common share at $0.15 for a period of 24 months from closing. The fair value of the broker warrants was estimated at $71,039 using the Black-Scholes option pricing model.

Shares Issued – Debt Settlement
On April 24, 2023, the Company issued 189,955 common shares with a fair value of $0.165 per share to settle trade payables of $56,987, resulting in a gain of $25,644.

Shares Issued - Stock Options
During the year ended December 31, 2022, the Company issued 20,000 common shares in connection to the exercise of stock options for proceeds of $14,500. The fair value of these options was $11,654, which was transferred from contributed surplus to share capital.

Stock Options
Under the terms of the Company's stock option plan ("Plan"), the Company is authorized to issue up to a maximum of 10% of the issued common shares with an exercise period that is not to exceed ten years. The term, exercise price and vesting conditions of the options are fixed by the Board of Directors at the time of grant.

Stock option transactions and the number of stock options outstanding are as follows:

	Number	Weighted average exercise price
Balance, December 31, 2021	2,028,500	$1.24
Exercised	(20,000)	0.73
Expired	(110,000)	1.46
Balance, December 31, 2022	1,898,500	$1.24
Granted (i)	2,000,000	0.20
Expired	(352,500)	0.77
Balance, December 31, 2023	**3,546,000**	**$0.70**

(i) On September 5, 2023, the Company granted 2,000,000 stock options to directors, officers, employees and consultants, of which 180,000 options were for the services of an investor relations consultant. All of these options were issued with an exercise price of $0.20 and a five-year term, expiring on September 5, 2028. All of the option vested immediately with the exception of the investor relations consultant options, which vest in instalments of 45,000 options every three months.

(expressed in Canadian dollars)

SHARE CAPITAL (continued)

Fair value of the options issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2023
Dividend yield	Nil
Expected volatility (based on historical prices)	214%
Risk-free rate of return	3.94%
Expected life	5 Years
Share price	$0.13

Share-based payment expense recognized in 2023 was $245,865 (2022 - $24,779). The offsetting credit was charged to contributed surplus.

Consultants' options were measured using the Black-Scholes option pricing model due to the absence of a reliable measurement of the services granted.

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
January 18, 2024	80,000	0.80	80,000	0.05
August 30, 2024	447,500	1.00	447,500	0.66
January 22, 2025	180,000	0.50	180,000	1.06
August 10, 2025	345,000	1.40	345,000	1.61
October 25, 2025	150,000	2.00	150,000	1.81
June 10, 2026	10,500	2.50	10,500	2.44
December 31, 2026	333,000	2.00	333,000	3.00
September 5, 2028	2,000,000	0.20	1,865,000	4.68
	3,546,000	$0.70	3,411,000	3.30

(expressed in Canadian dollars)

8. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, December 31, 2021	6,145,955	$1.24
Issued	2,101,170	1.38
Expired	(188,405)	1.03
Balance, December 31, 2022	8,058,720	$1.28
Issued	8,197,811	0.20
Expired	(2,207,550)	1.34
Balance, December 31, 2023	**14,048,981**	**$0.64**

Relative fair value of the warrants issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2023	2022
Dividend yield	Nil	Nil
Expected volatility (based on historical prices)	240%	97%
Risk-free rate of return	4.55%	2.55%
Expected life	3 Years	2 Years
Share price	$0.130	$0.075

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
April 19, 2024	1,556,500	$1.40	0.30	$ 358,667
April 19, 2024 (i)	66,195	0.80	0.30	27,408
May 13, 2024	470,000	1.40	0.36	89,116
May 13, 2024 (i)	8,475	0.80	0.36	2,266
March 17, 2025	3,750,000	1.20	1.21	1,487,349
August 15, 2025 (ii)	573,343	0.15	1.62	71,039
August 15, 2026	7,624,468	0.20	2.62	738,567
	14,048,981	$0.64	1.86	$ 2,774,412

(i) Broker warrants that entitle the holder to purchase one broker unit for each warrant held. Each broker unit consists of one common share and one share purchase warrant that entitles the holder to purchase one additional common share at an exercise price of $1.40.

(ii) Broker warrants that entitle the holder to purchase one common share.

(expressed in Canadian dollars)

9. CORPORATE AND ADMINISTRATIVE

		2023		2022
Consulting (note 12)	**$**	**41,642**	$	33,600
Corporate development and promotion		**223,244**		157,551
Filing and transfer agent fees		**83,732**		70,056
Insurance		**20,555**		19,554
Management fees (note 12)		**362,950**		354,288
Office and general		**16,440**		17,276
Professional fees		**72,139**		77,608
Salaries and benefits		**114,012**		109,784
Travel		**8,871**		5,313
	$	**943,585**	$	845,030

10. EXPLORATION AND EVALUATION

Mineral Project		**2023**		2022
Brewer, South Carolina, United States	**$**	**724,449**	$	1,087,210
Jefferson, South Carolina, United States		**8,110**		271,832
New Sawyer, North Carolina, United States		**43,747**		-
Sawyer, North Carolina, United States		**42,508**		-
Project evaluation, United States		**8,971**		86,617
	$	**827,785**	$	1,445,659

Brewer Gold Project – South Carolina, United States

The Brewer Gold Project is located in Chesterfield County, South Carolina, United States and encompasses approximately 1,000 acres**.** In January 2020, was awarded the right by the Brewer Gold Receiver LLC (the “Receiver”), the South Carolina Department of Health and Environmental Control (“SC DHEC”) and the U.S. Environmental Protection Agency (“US EPA”), to explore the former Brewer Gold Mine property (“Brewer”), a Superfund site.

On March 1, 2020, the Company and the Receiver executed an exclusive mining lease with the option for the Company to purchase Brewer (the “Brewer Option Agreement”). On July 11, 2022, the Brewer option period (the “Brewer Option Period”) was amended a fourth time to provide the Company with the right to extend the Brewer Option Period up to December 31, 2030, as follows:

(i) To extend the Brewer Option Period to December 31, 2027, the Company shall pay up to a maximum of US $1.4 million per year for 2025, 2026 and 2027, in quarterly instalments of US $350,000, to the SC DHEC and the US EPA to cover continuing site management costs.

(ii) To extend the Brewer Option Period to December 31, 2028, the Company shall:
- expend at least US $9 million (December 31, 2023 – expended approximately US $4.48M) on exploration activities since commencement of the Brewer Option Period; and,
- pay up to a maximum of US $1.5 million, in quarterly payments of US $375,000, to the SC DHEC and the US EPA to cover continuing site management costs.

(expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

(iii) To extend the Brewer Option Period up to December 31, 2029, and to December 31, 2030, respectively, the Company shall:
- expend at least US $1.5 million on exploration activities in the immediately prior year; and,
- pay up to a maximum of US $1.5 million per year, in quarterly payments of US $375,000, to the SC DHEC and the US EPA to cover continuing site management costs.

The Company can exercise its option to purchase Brewer at any time during the Option Period. The purchase price for Brewer is comprised of the following two components:

(i) the cost of environmental remediation and financial assurance for assuming ownership of all past environmental liability at Brewer; and,

(ii) 50% of the total past costs incurred by the SC DHEC and the US EPA to clean and manage Brewer since 2000, which costs are to be paid from future mining operations in ten equal annual installments subject to a profit formula to be determined by the parties.

On February 20, 2024, the Brewer Option Agreement was amended a fifth time (Note 18).

Brewer	**2023**	2022
Property costs	**$ -**	$ 1,899
Assaying	**70,637**	59,581
Consulting/Contracting	**194,678**	240,421
Drilling	**262,479**	102,272
Equipment and supplies	**59,841**	46,418
Geophysics/Surveys	**-**	317,906
Reports	**-**	1,157
Site costs	**88,438**	97,591
Travel/Transportation	**20,091**	20,331
Wages and benefits	**28,285**	199,634
	$ 724,449	$ 1,087,210

The reclamation provision represents estimated costs to abandon open drill holes in accordance with SC DHEC policies. Drill holes are to be abandoned as part of each years drilling program, though the Company may determine to leave certain drill holes open for further evaluation. These United States dollar denominated costs are converted to Canadian dollars at historical rates and the provision adjusted to the spot rate at the end of each reporting period, resulting in a foreign exchange adjustment.

Balance, December 31, 2021	$ -
Additions	102,272
Foreign exchange	6,672
Balance, December 31, 2022	$ 108,944
Additions	27,108
Foreign exchange	(3,342)
Balance, December 31, 2023	**$ 132,710**

(expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

Jefferson Gold Project – South Carolina, United States
The Jefferson Gold Project is in Chesterfield County, South Carolina, United States and is adjacent to the Company's Brewer Gold Project. As at December 31, 2023, Jefferson consisted of one exploration-stage gold prospective property lease owned by a private landowner, encompassing approximately 44 acres, at an annual cost of US $4,450. The lease expires in 2025. The Company has the right to acquire a 100% interest in the lease by purchasing the underlying property. During the current year eleven leases were relinquished and the area of the remaining lease reduced.

Jefferson		**2023**		2022
Property costs	**$**	**6,371**	$	259,716
Assaying		**-**		10,016
Site costs		**1,617**		2,100
Travel/Transportation		**122**		-
	$	**8,110**	$	271,832

New Sawyer Project – North Carolina, United States
On November 11, 2022, the Company entered an exploration lease with the option (the "Option") for the Company to purchase the 609-acre New Sawyer Gold Project (the "New Sawyer Option Agreement") from a private landowner (the "Optionor"). New Sawyer is located in Randolph County, North Carolina, United States, lies within the Sawyer-Keystone gold trend and contains the historic New Sawyer gold mine.

The initial term of the New Sawyer Option Agreement is 10 years, effective March 1, 2023. The Company has the right to automatically renew the New Sawyer Option Agreement for an additional 10 years. The lease payment for 2023 is US $30,000 (paid) and changes to US $25,000 per year for the following nine years. Upon exercise of the Option, the Company will be required to purchase the New Sawyer property at three times market value excluding any value or potential value for the minerals. The Company retained a Right of First Refusal (ROFR) should the Optionor elect to sell the New Sawyer property during the term of the New Sawyer Option Agreement. The Optionor retained a 1% production royalty and the Company retained the right to purchase up to one-half (0.5%) of the production royalty for US $2 million.

New Sawyer		**2023**		2022
Property costs	**$**	**40,578**	$	-
Consulting/Contracting		**2,830**		-
Travel/Transportation		**339**		-
	$	**43,747**	$	-

Sawyer Project – North Carolina, United States
On February 1, 2023, the Company entered into an exploration lease with the option (the "Option") for the Company to purchase the 135-acre Sawyer Gold Project (the "Sawyer Option Agreement") from a private landowner (the "Optionor"). Sawyer is located in Randolph County, North Carolina, United States and lies within the Sawyer-Keystone gold trend, approximately five kms southwest of the Company's New Sawyer Gold Project.

(expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

The initial term of the Sawyer Option Agreement is 10 years (the "initial Term"). The Company has the right to automatically renew the Sawyer Option Agreement for an additional 10 years (the "Additional Term"). There are no lease or advance royalty payments required for the first five years of the Initial Term. Advance royalty payments of US $25,000 per year are required for years six to ten of the Initial Term. Advance royalty payments of US $50,000 per year are required for the Additional Term, if the Sawyer Option Agreement is renewed. Upon exercise if the Option, the Company will be required to purchase the Sawyer property at three times market value excluding any value or potential value for the minerals. The Company retained a Right of First Refusal (ROFR) should the Optionor elect to sell the Sawyer property during the term of the Sawyer Option Agreement.

The Optionor retained a 2% production royalty ("NSR") and the Company retained the right to purchase up to one-half (1.0%) of the production royalty for US $5 million. The advance royalty payments are non-refundable and are to be deducted from future production royalties payable. Upon completion and reclamation of mining activities, the Optionor has the option to repurchase the Sawyer property for US $1.

Sawyer		**2023**		2022
Property costs	**$**	**35**	$	-
Assaying		**6,034**		-
Consulting/Contracting		**29,115**		-
Equipment and supplies		**2,725**		-
Site costs		**77**		-
Travel/Transportation		**4,522**		-
	$	**42,508**	$	-

11. INVESTMENT IN VOLTAGE METALS

On June 20, 2020, the Company entered into an agreement with Voltage Metals Inc., formerly, Tempus Resources Inc., a private company, pursuant to which Voltage Metals Inc. obtained the right ("Option") to acquire up to a 100% interest in the Company's four mineral projects, St. Laurent, Montcalm, Nova and Gambler, located in Ontario, Canada. In December 2021, Voltage Metals Inc. acquired all of the Company's interest in the projects and completed the exercise of the Option, having:

(i) Paid an aggregate of $1,000,000 to the Company; and

(ii) Issued 1,000,000 common shares (the "Voltage Metal Inc. Shares") to the Company on March 29, 2021. The initial value placed on the shares was $50,000.

On March 11, 2022, Mansa Exploration Inc. acquired Voltage Metals Inc. and changed its name to Voltage Metals Corp. ("Voltage Corp."). The Voltage Metals Inc. Shares were then exchanged for 1,269,841 Voltage Corp. common shares (the "Voltage Corp. Shares"). On March 18, 2022, Voltage Corp. was listed for trading on the Canadian Securities Exchange ("CSE"). The Voltage Corp. Shares are no longer subject to CSE or contractual trading restrictions.

The Company retained the right to purchase from Voltage Corp. a 1% net smelter royalty in the St. Laurent project for $1 million. On April 12, 2022, a Company director was appointed to Voltage Corp.'s board of directors.

(expressed in Canadian dollars)

INVESTMENT IN VOLTAGE METALS (continued)

	Number		Amount
Balance, December 31, 2021	1,000,000	$	50,000
Gain on exchange of Voltage Metals Inc. shares	269,841		140,476
Loss on change in fair value	-		(158,730)
Balance, December 31, 2022	1,269,841		31,746
Loss on change in fair value	-		(12,698)
Balance, December 31, 2023	**1,269,841**	**$**	**19,048**

12. RELATED PARTY TRANSACTIONS AND BALANCES

A summary of the compensation of key management (directors/officers) of the Company is included in the table below. Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Company.

		2023		2022
Consulting (i)	**$**	**-**	$	24,000
Management fees (ii)		**362,950**		354,288
Share-based payments (iii)		**94,379**		1,262
Interest expense (iv)		**2,800**		1,000
	$	**460,129**	$	380,550

(i) Consulting fees were paid or became payable to a Company controlled by a former Company director.

(ii) Management fees were paid or became payable to a Company controlled by a Company officer and to a company associated with a Company officer.

(iii) Share-based payments represents the fair value of stock options granted to Company directors and officers.

(iv) Interest was paid to a Company director pursuant to a $70,000 cash loan made in 2023. For the comparative period, interest was paid to a Company director pursuant to a $100,000 cash loan made in 2022, which loan was repaid in 2022.

During the year, Company directors provided the Company with unsecured cash loans of $145,866 (2022 -$100,000), all of which were repaid in 2023, as follows:

- a US $30,000 (CDN $40,866) non-interest bearing loan;
- a CDN $35,000 non-interest bearing loan; and,
- a CDN $70,000 interest bearing loan at $700 per month. Interest paid was $2,800.

Accounts payable and accrued liabilities include $419,266 (December 31, 2022 - $209,465) payable to Company directors/officers or companies controlled by or associated with Company directors/officers.

(expressed in Canadian dollars)

13. COMMITMENTS AND CONTINGENCIES

The Company has a management services agreement, effective April 1, 2021, with a Company officer that contains the provision of termination and change of control benefits. The agreement provides that in the event that the officer's services are terminated by the Company, other than for cause, or there is a change in control of the Company then the officer is entitled to receive a payment equal to the sum of: two (2) years of consulting fees; any unpaid bonus; plus the average of the bonus paid to the officer over the previous two (2) year period. As a triggering event has not taken place, the contingent payment of US $440,000 has not been reflected in these consolidated financial statements.

14. GROSS OVERRIDING ROYALTY

On February 8, 2007, the Company formed a joint venture (the "Joint Venture") with Enova Mining Limited, formerly, Crossland Strategic Metals Limited, ("Enova") and subsequently earned a 50% interest in a number of Australian properties prospective for rare earth elements ("REE") and uranium. On November 26, 2015, the Company completed the sale of its entire interest in the Joint Venture to Essential Mining Resources Pty Ltd. ("EMR") and retained a gross overriding royalty ("GOR") of one percent (1%) on sales of production from 100% of the Joint Venture properties ("JV Properties"). During 2017, EMR merged with Enova.

On November 26 of each year, Enova is to pay an advance royalty of AU $2,311 (2021 - AU $2,311) to the Company based on the JV Properties retained and their size. As of December 31, 2023, the Company has received advanced royalty payments totalling AUS $95,736. Advance royalty payments are non-refundable; and, are to be deducted from the 1% GOR payable to the Company upon the JV Properties being placed into production.

15. LOSS PER SHARE

Loss per share is calculated using the weighted average number of shares outstanding for the period. For the purposes of calculating the basic and diluted loss per share the effect of the potentially dilutive options and warrants were not included in the calculation as the result would be anti-dilutive.

16. INCOME TAXES

Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in the financial statements:

	2023	2022
Loss before income taxes	**$ (1,992,074)**	$ (2,337,892)
Statutory rate	**26.50%**	26.50%
Expected income tax recovery	**(527,900)**	(619,541)
Increase (decrease) resulting from:		
Non-deductible expenses and other permanent differences	**65,013**	25,209
Adjustment to non-capital and net-capital losses	**263,313**	(9,208)
Effects of lower tax rates in foreign jurisdiction	**21,728**	90,410
Change in deferred tax assets not recognized	**177,846**	513,130
Income tax expense	**$ -**	$ -

(expressed in Canadian dollars)

INCOME TAXES (continued)

Deferred Income Taxes
The temporary differences that give rise to future income tax assets and deferred income tax liabilities are presented below:

	2023	2022
Exploration and evaluation costs	**$ 3,639,911**	$ 3,427,023
Share issuance costs	**69,935**	34,879
Investment in Tortuga Resources Inc.	**29,250**	29,251
Non-capital loss carry forwards	**2,392,499**	2,085,079
Capital loss carry forwards	**660,882**	660,882
Deferred tax asset	**6,792,477**	6,237,114
Less: Deferred tax assets not recognized	**(6,792,477)**	(6,237,114)
Net deferred income tax asset	**$ -**	$ -

Tax Credit Carry-forwards
At December 31, 2023, the Company has available non-capital losses to reduce future years' taxable income for Canadian tax purposes of approximately $6,343,371 and United States income tax purposes of $2,736,538. These losses expire as follows:

Year of Origin	Year of Expiry	Canada	United States	Total
2023	2043	$ 640,767	$ 574,744	$ 1,215,511
2022	2042	193,133	419,404	612,537
2021	2041	207,888	746,933	954,821
2020	2040	796,433	243,028	1,039,461
2019	2039	553,436	202,368	755,804
2018	2038	398,550	194,823	593,373
2017	2037	255,737	274,429	530,166
2016	2036	271,663	80,829	352,492
2015	2035	306,983	-	306,983
2014	2034	57,686	-	57,686
2013	2033	484,230	-	484,230
2012	2032	339,605	-	339,605
2011	2031	429,001	-	429,001
2010	2030	398,478	-	398,478
2009	2029	327,862	-	327,862
2008	2028	284,689	-	284,689
2007	2027	292,677	-	292,677
2006	2026	104,553	-	104,553
		$ 6,343,371	**$ 2,736,558**	**$ 9,079,929**

(expressed in Canadian dollars)

INCOME TAXES (continued)

The Company has $418,770 of Canadian exploration and development costs and $8,415,163 of foreign exploration and development costs that can be carried forward indefinitely and used to offset future taxable income. Additionally, the Company has available $4,987,788 of capital losses that can be carried forward indefinitely to use against future taxable capital gains.

The potential tax benefit relating to these tax losses has not been reflected in these financial statements.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash and cash equivalents, the investment in Voltage Metals, accounts payable and accrued liabilities and the reclamation provision approximates fair value due to the relative short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arms-length transaction between willing parties and is best evidenced by a quoted market price if one exists.

IFRS 13 establishes a fair value hierarchy that prioritizes the valuation techniques for each financial instrument measured at fair value. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

The methods and assumptions used to develop fair value measurements are: Level 1 - includes quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - includes inputs, other than quoted prices included in Level 1, that are observable for an asset or liability, either directly (i.e. as process) or indirectly (i.e. derived from process); and, Level 3 - includes inputs that are not based on observable data.

Classification of Financial Instruments

		2023	2022
Financial assets			
Cash and cash equivalents	Amortized cost	**$ 1,042,710**	$ 264,774
Royalty receivable	Amortized cost	**-**	1,928
Investment in Voltage Metals Inc.	Fair value through profit and loss	**19,048**	31,746
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	**$ 695,717**	$ 359,464
Reclamation provision	Amortized cost	**132,710**	108,944

Risk Management

The primary objectives of the Company's financial risk management procedures are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position, from events that have the potential to materially impair its financial strength. These activities include the preservation of its capital by minimizing risk related to its cash.

The Company does not trade financial instruments for speculative purposes and does not have a risk management committee or written risk management policies.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's financial instruments are exposed to the risks described below:

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge their obligations. Financial instruments that potentially expose the Company to this risk consist of cash and the royalty revenue receivable. The Company mitigates the risk to its cash by depositing a majority of its cash with Canadian and United States banks. Allowances for the royalty receivable are recognized as necessary for potential credit losses.

Currency Risk
The Company operates in Canada and the United States, thus exposing the Company to market risks from fluctuations in foreign exchange rates. The Company has certain corporate and administrative expenditures, exploration and evaluation expenditures and future potential financial commitments (Notes 10 and 13) denominated in United States dollars. The Company monitors foreign exchange rates and has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates. As at December 31, 2023, a 10% change in the United States dollar (USD) would impact the Company's loss by approximately $52,000 (December 31, 2022 - $18,000).

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates The Company's excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The Company's excess cash is subject to interest rate risk resulting from fluctuations in prime rates.

Liquidity Risk
Liquidity risk management requires maintaining sufficient cash, liquid investments, or credit facilities to meet the Company's operating expenditures and commitments, as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 5. The Company does not have any income from operations or a regular source of income and is highly dependent on its working capital and equity funding to support its exploration and corporate activities. There can be no assurance that the Company will be successful in its fund raising activities.

Accounts payable and accrued liabilities are generally due within 30 days and loans from related parties are to be repaid from private placement proceeds. As at December 31, 2023, the Company had cash of $1,042,710 to settle current liabilities of $828,427. To enhance its working capital, on April 3, 2024, the Company completed a private placement for gross proceeds of $3,227,000 (Note 18).

18. SUBSEQUENT EVENTS

a) On February 20, 2024, the Company and the Brewer Gold Receiver completed the fifth amendment to the Brewer Option Agreement which resulted in:
   - deferring the 2025 to 2030 annual continuing site management payments to the SC DHEC and the US EPA, totaling a maximum of US $8.7 million, until the Company exercises its option to purchase Brewer;
   - increasing to 60% the Company's contribution to the recovery of total past costs incurred by the SC DHEC and the US EPA to clean and manage Brewer up to December 31, 2024, which is now payable in full on exercise of the option to purchase Brewer; and,
   - the Company having to provide financial assurance in the amount of US $150,000 for drill hole abandonment purposes by June 18, 2024.

SUBSEQUENT EVENTS (continued)

b) On April 3, 2024, the Company completed a brokered private placement for gross proceeds of $3,227,000 by issuing 16,135,000 units (each, a "Unit") at $0.20 per Unit. Each Unit consists of one common share and one-half common share purchase warrant (each whole warrant, a "Unit Warrant"). Each Unit Warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.30 for a period of 36 months from the date of closing. As consideration for the services of the broker the Company paid cash commissions of $218,890 and issued 1,094,450 broker warrants. Each broker warrant entitles the holder to purchase one common share at $0.20 for a period of 24 months from closing.