NorthWestcopper

Consolidated Financial Statements

For the Years Ended December 31, 2023, and December 31, 2022

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NorthWest Copper Corp.

Opinion

We have audited the consolidated financial statements of NorthWest Copper Corp. (the "Entity"), which comprise:

— the consolidated statements of financial position as at December 31, 2023 and December 31, 2022

— the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended

— and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that during the year ended December 31, 2023 the Entity has a net loss and has accumulated losses since inception.

As stated in Note 1 in the financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity'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 for the year ended December 31, 2023. 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.

In addition to the matter described in the ***"Material Uncertainty related to Going Concern"*** section of the auditor's report, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of indicators of impairment for explorations and evaluation assets

Description of the matter

We draw attention to notes 2(d), (e), and (i) and note 6 to the financial statements. At December 31, 2023, the Entity has exploration and evaluation ("E&E") assets of $78.4 million. E&E assets are assessed for impairment at each reporting period whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. If any such indication exists, then an impairment test is performed.

Management exercises significant judgment in assessing for indicators of impairment. Impairment indicators assessed include:

- whether the rights to explore the area of interest have expired during the period or will expire in the near future, and the rights are not expected to be renewed;
- substantive expenditure on further exploration and evaluation is not planned or budgeted;
- the exploration activities have not led to a discovery of commercial reserves and the Entity has decided not to continue such activities in the area of interest being explored; or
- sufficient data exists to indicate that, although exploration in the area is likely to continue, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Why the matter is a Key Audit Matter

We identified the evaluation of indicators of impairment for E&E assets as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the E&E assets and the judgment to determine whether future economic benefits are likely. Significant auditor judgement is required to evaluate the results of our audit procedures assessing the Entity's determination of whether indicators of impairment exist.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter.

We evaluated the Entity's analysis of impairment indicators by:

- Assessing the status of the Entity's right to explore by inspecting government registries to confirm that mineral exploration rights are in good standing and discussing with management if any rights are not expected to be renewed.
- Inspecting the Entity's annual exploration and evaluation budget to determine whether substantive expenditures on further exploration and evaluation are planned for its exploration projects.
- Reading information included in updated technical reports and relevant internal and external communications, including minutes of meetings of the Board of Directors, press releases, and other public filings to assess exploration results and if the Entity has decided to discontinue exploration or that the carrying amount is unlikely to be recovered for any of its E&E assets.

Other Information

Management is responsible for the other information. Other information comprises the information 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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity 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.

— 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.

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

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

— Determine, from the matters communicated with those charged with governance, 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 auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Robert Ryan Owsnett.

Vancouver, Canada
April 25, 2024

NorthWest Copper Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		$ 231,037	$ 378,353
Short term investments		30,000	30,000
Receivables	4	455,094	1,583,900
Share subscriptions receivable	9 (ix)(x)	1,170,225	-
Deposits	10	-	69,000
Marketable securities	6(c)(vii)	141,884	53,432
Prepaid expenses		85,932	246,720
		2,114,172	2,361,405
Non-current assets			
Property, plant and equipment	5	33,212	132,695
Exploration and evaluation assets	6	78,446,173	78,435,042
Deposits	7	482,638	482,638
		78,962,023	79,050,375
TOTAL ASSETS		**$ 81,076,195**	**$ 81,411,780**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	$ 1,236,258	$ 1,756,095
Current portion of lease payable	8	-	84,744
		1,236,258	1,840,839
Non-current liabilities			
Closure and reclamation	7	327,500	327,500
TOTAL LIABILITIES		1,563,758	2,168,339
SHAREHOLDERS' EQUITY			
Share capital	9	145,244,718	137,659,808
Share-based payment reserve	9	21,835,912	21,767,921
Other equity reserves		52,837	52,837
Deficit		(87,621,030)	(80,237,125)
TOTAL SHAREHOLDERS' EQUITY		**79,512,437**	**79,243,441**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 81,076,195**	**$ 81,411,780**

Nature of operations and going concern (Note 1)
Subsequent events (Notes 7(v), 10, and 16)

Approved by the Board of Directors on April 25, 2024:

"*Maryantonett Flumian*", Director "*Braam Jonker*", Director

(Expressed in Canadian Dollars)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Expenses			
Exploration and evaluation expenditures	6	$ 1,719,083	$ 21,355,661
Professional fees		1,568,113	424,210
Salaries and director fees	10	1,527,643	1,667,869
Share-based payments	9	931,124	2,745,441
Office and miscellaneous		459,794	540,450
Investor relations		348,589	554,163
Transfer agent and filing fees		229,747	93,380
Depreciation	5	96,151	128,452
		(6,880,244)	(27,509,626)
Other income (expense)			
Recognition of flow-through share premium		-	5,649,804
Management income	3	-	8,862
Interest income		22,558	93,821
Gain on option of mineral property	6(c)(vii)	-	753,801
Loss on marketable securities	6(c)(vii)	(379,852)	(200,369)
Impairment	6(a)	(143,144)	-
Finance expense		(3,223)	(120,931)
Share of joint venture loss	3	-	(105,270)
		(503,661)	6,079,718
Net loss and comprehensive loss for the year		**$ (7,383,905)**	**$ (21,429,908)**
Loss per share – basic and diluted		**$ (0.04)**	**$ (0.14)**
Weighted average number of common shares outstanding		**188,205,464**	**157,462,941**

(Expressed in Canadian Dollars)

	Notes	Number of shares	Amount	Share-based payment reserve	Other equity reserves	Deficit	Total Shareholders' Equity
Balance at December 31, 2021		**145,359,629**	**$ 125,979,616**	**$ 19,399,425**	**$ 52,837**	**$ (58,807,217)**	**$ 86,624,661**
Shares issued for cash - exercise of warrants	9(xviii)	552,446	287,272	-	-	-	287,272
Shares issued for cash - exercise of stock options	9(xviii)	475,000	153,300	-	-	-	153,300
Reallocation of fair market value of warrants exercised	9	-	85,915	(85,915)	-	-	-
Reallocation of fair market value of stock options exercised	9	-	111,030	(111,030)	-	-	-
Shares issued on exercise of DSUs	9(xv)	200,000	180,000	(180,000)			-
Shares issued to acquire remaining JV interest	3	18,358,439	10,324,675	-	-	-	10,324,675
Shares issued for acquisition of mineral property interests	6(c)(iii)(v)(viii)	2,283,320	538,000	-	-	-	538,000
Share-based payments	9	-	-	2,745,441	-	-	2,745,441
Net loss for the year		-	-	-	-	(21,429,908)	(21,429,908)
Balance at December 31, 2022		**167,228,834**	**137,659,808**	**21,767,921**	**52,837**	**(80,237,125)**	**79,243,441**
Units issued for cash - financing	9(iii)(iv)	21,997,086	5,059,330	-	-	-	5,059,330
Fair value of warrants issued - financing	9(iii)(iv)	-	(630,201)	630,201	-	-	-
Shares issued for cash - financing	9(vii)(viii)	4,897,250	514,211	-	-	-	514,211
Share issued in financing - subscriptions receivable	9(ix)	2,828,571	297,000	-	-	-	297,000
Share issued in rights offering - subscriptions receivable	9(x)	8,316,425	873,225	-	-	-	873,225
Share issuance costs	9(iv)(ix)	-	(61,489)	-	-	-	(61,489)
Shares issued on exercise of RSUs	9(i)	1,066,666	953,334	(953,334)	-	-	-
Shares issued on exercise of DSUs	9(ii)	600,000	540,000	(540,000)	-	-	-
Shares issued for acquisition of property interests	6(c)(v)(viii)	218,027	39,500	-	-	-	39,500
Share-based payments	9	-	-	931,124	-	-	931,124
Net loss for the year		-	-	-	-	(7,383,905)	(7,383,905)
Balance at December 31, 2023		**207,152,859**	**145,244,718**	**21,835,912**	**52,837**	**(87,621,030)**	**79,512,437**

NorthWest Copper Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Operating activities			
Net loss		$ (7,383,905)	$ (21,429,908)
Adjustments for non-cash items:			
Depreciation	5	99,483	128,657
Share of joint venture loss	3	-	105,270
Finance expense		3,223	120,931
Interest income		(22,558)	(93,821)
Recognition of flow-through share premium		-	(5,649,804)
Share-based payments	9	931,124	2,745,441
Gain on option of mineral property		-	(753,801)
Impairment	6(a)	143,144	-
Loss on marketable securities		379,852	200,369
Changes in			
Receivables		576,805	(427,361)
Prepaid expenses		160,788	(20,971)
Trade payables and accrued liabilities		(545,483)	762,691
Net cash flows used in operating activities		(5,657,527)	(24,312,307)
Investing activities			
Proceeds from disposal of marketable securities	6(c)(vii)	31,697	-
Cash acquired from Kwanika	3	-	89,185
Investment in joint venture	3	-	(178,800)
Exploration and evaluation assets	6	(54,775)	(72,372)
Deposits		-	(223,742)
Deposits returned		52,000	43,500
Interest received		22,558	93,821
Property, plant and equipment		-	(37,670)
Net cash flows provided by (used in) investing activities		51,480	(286,078)
Financing activities			
Proceeds on issuance of units	9	5,059,330	-
Proceeds on issuance of shares	9	514,211	-
Share issuance costs	9	(27,216)	-
Proceeds from exercise of options	9	-	153,300
Proceeds from exercise of warrants	9	-	287,272
Repayment of term loan		-	(30,000)
Lease payable repayments	8	(87,594)	(116,792)
Net cash flows provided by financing activities		5,458,731	293,780
Net change in cash		(147,316)	(24,304,605)
Cash, beginning		378,353	24,682,958
Cash, ending		**$ 231,037**	**$ 378,353**

1. Nature of operations and going concern

NorthWest Copper Corp. (the "Company" or "NorthWest") was incorporated on March 5, 1973, under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. On March 5, 2021, the Company changed its name to NorthWest Copper Corp. and commenced trading on the TSX-V under the new symbol "NWST".

The principal address of the Company is PO Box 95010 Vancouver RPO Kingsgate, BC, Canada V5T 4T8. The Company's registered and records office address is #2200 – 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. The Company had a net loss of $7,383,905 for the year ended December 31, 2023 (year ended December 31, 2022 - $21,429,908) and at December 31, 2023 had accumulated losses of $87,621,030 (December 31, 2022 - $80,237,125) since inception, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to raise sufficient funds through equity capital or borrowings to meet its expenditures and obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. Failure to obtain additional funding on a timely basis may cause the Company to postpone exploration and/or evaluation plans or substantially reduce its operations. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Material accounting policy information and basis of preparation

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on April 25, 2024.

a. Statement of compliance with International Financial Reporting Standards

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

b. Basis of presentation

These consolidated financial statements of the Company have been prepared on a historical cost basis except for marketable securities which are recorded at fair value in accordance with measurement standards under IFRS. These consolidated financial statements are presented in Canadian dollars unless otherwise specified, which is the Company's functional currency.

c. Consolidation

The consolidated financial statements include the accounts of the Company and its Canadian controlled entities. All intercompany transactions, balances and unrealized gains and losses are eliminated on consolidation. Details of controlled entities are as follows:

		Percentage owned	
	Province of incorporation	**December 31, 2023**	**December 31, 2022**
Kwanika Copper Corp.* (Note 3)	British Columbia	N/A	100%
Tsayta Resources Corp.*(Previously Sun Metals Corp.)	British Columbia	100%	100%
0790202 BC Ltd.**	British Columbia	100%	100%

2. Material accounting policy information and basis of preparation (cont'd)

*Kwanika Copper Corp., Tsayta Resources Corp., and Sun Metals Corp. were amalgamated on March 31, 2023. The continuing legal entity, Sun Metals Corp., subsequently changed its name to Tsayta Resources Corp. Tsayta Resources Corp. holds the Stardust, Lorraine, and Kwanika properties.
**This company is inactive.

d. Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets and property, plant and equipment if indicators of impairment are identified and the valuation of share-based payments.

For the year ended December 31, 2023, the Company impaired and wrote-off certain capitalized exploration and evaluation assets for several non-material claims for which the Company does not intend to renew or has allowed to lapse (Note 6(a)). There was no significant estimation or judgment required in making such assessment. There were no indicators of impairment identified with respect to the Company's remaining exploration and evaluation assets at December 31, 2023. For the year ended December 31, 2023, there were no indicators of impairment identified with respect to the Company's property, plant and equipment.

In order to compute the fair value of share-based payments, the Company uses the Black-Scholes option pricing model which inherently requires management to make various estimates and assumptions in relation to the expected life of the award, expected volatility, risk-free rate and forfeiture rates. Changes in any of these inputs could cause a significant change in the share-based compensation expense charged in the statement of loss and to equity reserves in a given period. Key assumptions with respect to the valuation of share-based payments are disclosed in Note 9.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Going concern

The Company's assessment of its ability to continue as a going concern requires judgments about whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Management has determined that the use of the going concern basis of accounting is appropriate and has disclosed material uncertainties in Note 1 to the financial statements.

ii) Recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets and expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

At the end of each reporting period, the Company assesses its exploration and evaluation assets to determine whether any indication of impairment exists. Judgment is required in determining whether

2. Material accounting policy information and basis of preparation (cont'd)

indicators of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditure on further exploration and evaluation of exploration projects are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies and there is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

e. Exploration and Evaluation Expenditures

The fair value of all cash and non-cash consideration paid in relation to the acquisition of mineral property interests are capitalized until the viability of the mineral interest is determined, the mineral property interest is sold, or an impairment is determined. The Company's policy is to expense, as incurred, exploration and evaluation expenditures until the mineral property reaches the development stage.

When it has been established that a mineral deposit is commercially viable and technically feasible, the costs subsequently incurred to develop a mine on the mineral property prior to the start of mining operations are capitalized and will be amortized against production when ready for use as intended by management, or derecognized if the property is sold, allowed to lapse or abandoned.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance of historical characteristics of many resource properties. To the best of the Company's knowledge, title to the Company's mineral project claims are in good standing.

Upon disposal or abandonment, any consideration received is credited against the carrying amount of the exploration and evaluation assets, with any difference from the carrying amount included as a gain or loss in the statement of loss and comprehensive loss.

f. Leases

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 contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment

2. Material accounting policy information and basis of preparation (cont'd)

assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method and is re-measured when there is a change in future lease payments. When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in Property, plant and equipment, and lease liabilities in 'lease liabilities' in the statement of financial position. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

g. Investments in joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in a joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive loss is reclassified to profit or loss where appropriate.

The Company's share of post-acquisition profit or loss is recognized in the consolidated statement of loss and comprehensive loss, and its share of post-acquisition movements in other comprehensive loss is recognized in other comprehensive loss with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Company determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognizes the amount in the consolidated statement of loss and comprehensive loss.

Profits and losses resulting from transactions between the Company and its joint venture are recognized in the Company's consolidated financial statements only to the extent of the unrelated investor's interest in the joint venture. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in joint ventures are recognized in the consolidated statement of loss and comprehensive loss.

h. Government Assistance

The Company recognizes resource tax credit amounts as a receivable and a reduction to exploration and evaluation expenditures when the Company's application for such credits is approved by the relevant jurisdiction or when the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Material accounting policy information and basis of preparation (cont'd)

i. Impairment of non-current assets

At each reporting date, property, plant and equipment and exploration and evaluation assets are evaluated for impairment by management whenever events or changes in circumstances indicate that the carrying value is impaired and may not be recoverable.

For property plant and equipment, if any such impairment indicators exist, 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 of disposal and value in use. Fair value less costs of disposal is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is 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 for that 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.

For exploration and evaluation assets, the Company follows the guidance in *IFRS 6 – Exploration for and Evaluation of Mineral Resources* to determine whether exploration and evaluation assets are impaired. Impairment indicators relevant for exploration and evaluation properties include:

- whether the rights to explore the area of interest have expired during the period or will expire in the near future, and the rights are not expected to be renewed;
- substantive expenditure on further exploration and evaluation is not planned or budgeted;
- the exploration activities have not led to a discovery of commercial reserves and the Company has decided not to continue such activities in the area of interest being explored; or
- sufficient data exists to indicate that, although exploration in the area is likely to continue, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If an impairment indicator is identified, management will perform an impairment test. If the recoverable amount of the exploration and evaluation assets is less than the carrying amount, an impairment loss will be recorded in the financial statements. 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.

j. Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes receivables and deposits on the date that they originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2. Material accounting policy information and basis of preparation (cont'd)

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost.

Management determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired. A financial asset is measured at amortized cost, if it is not designated at FVPL, and it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets at FVTOCI
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following derecognition of the investment.

Financial assets at amortized cost
Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's non-derivative financial assets are its cash, short term investments, amounts receivables, share subscriptions receivable, marketable securities and reclamation and other deposits, all of which are classified as financial assets at amortized cost, other than marketable securities, which is a financial asset measured at fair value through profit and loss.

(ii) Impairment of Financial Assets
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the

2. Material accounting policy information and basis of preparation (cont'd)

amount of the loss decreases, and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's financial instrument assets the Company has no material loss allowance as at December 31, 2023, or December 31, 2022.

(iii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Such financial liabilities are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to their initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The Company's non-derivative financial liabilities are its trades payable and accrued liabilities.

k. Share-based payments

The Company grants stock options, RSUs, and DSUs to directors, officers, employees and consultants from time to time. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees for goods or services received are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payment reserve. The Company determines the fair value of share-based payments in consideration of the quoted market price of the Company's common shares for direct share awards, or by using the Black-Scholes option pricing model for options or warrants issued.

Consideration received on the exercise of stock options or warrants is recorded as share capital and the related equity reserve amount is transferred to share capital. Where awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognized is proportionately reversed in the period the forfeiture occurs.

l. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at banks, and short-term highly liquid investments and bank overdrafts.

m. Loss per Share

Loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Under this method, the weighted average number of common shares used to calculate the dilutive effect in the statement of income (loss) assumes that the proceeds that could be obtained upon exercise of stock options, warrants and similar instruments would be used to purchase common shares at the average market price during the period.

In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options and warrants would be anti-dilutive.

n. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when the amount has been reasonably estimated. Provisions are not recognized for future operating losses.

2. Material accounting policy information and basis of preparation (cont'd)

The amount recorded as a provision is the best estimate of the consideration required to settle the obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

The Company records provisions for closure and reclamation on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation is estimated using expected cash flows and discounted, if material and the timing of such expenditure is known, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation, the offset of which is charged to the statement of loss, and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost, being the applicable exploration and evaluation asset. Expenditures of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the end of the life of a mineral property project.

o. Income Taxes

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

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. Deferred tax is not recognized for the temporary differences arising from 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.

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 not probable that the related tax benefit will be realized.

Amendment to IAS 12, Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction.

This amendment was applied for the first time in 2023. This amendment narrows the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences, such as leases and decommissioning liabilities. There was no impact on the Company's consolidated financial statements.

p. Flow through Shares

The Company will from time to time, issue flow-through common shares to finance a portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer

2. Material accounting policy information and basis of preparation (cont'd)

the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. The Company derecognizes the flow-through share premium liability to the extent the qualifying resource expenditures have been made as of the reporting date and records such amount in determining in other income in the consolidated statement of loss.

Proceeds received from the issuance of flow-through shares are to be used only for Canadian resource property exploration expenditures within a set period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments. The Company is also subject to Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a finance expense until paid.

q. New standards, interpretations, amendments and policies adopted by the Company:

There are no new standards or interpretations, not yet adopted, that are expected to have a material impact on the Company's financial statements.

On February 12, 2021, the IASB issued Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). The amendments require the disclosure of material accounting policies rather than significant accounting policies. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company has done an assessment of these amendments and there is no material impact to the Company's financial statements or disclosure. The Company adopted these amendments in its consolidated financial statements for the annual period beginning on January 1, 2023.

3. Investment in joint venture – Kwanika Copper Corporation

On December 29, 2021, the Company entered into a Share Purchase Agreement ("SPA") with POSCO whereby NorthWest purchased all of POSCO's remaining interest in Kwanika Copper Corporation ("KCC") for total consideration of $11 million, payable in common shares of NorthWest. KCC's primary asset was the Kwanika Project (Note 6(c) (ii)) and prior to the transaction, NorthWest accounted for its interest in KCC as an equity accounted for joint venture.

On February 23, 2022, following receipt of all required approvals, the Company completed the first issuance of shares ("Tranche 1") to POSCO pursuant to the SPA by issuing 5,194,805 common shares with a fair value of $3,324,675 (at a deemed value of $4,000,000). As part of the Tranche 1 closing, the shareholder joint venture agreement among the parties was terminated and any interest or rights of POSCO with respect to the Kwanika Project under the shareholder joint venture agreement, including offtake rights, were terminated.

On April 25, 2022, the Company completed the second issuance of shares ("Tranche 2") to POSCO pursuant to the SPA by issuing 5,934,718 common shares with a fair value of $4,000,000.

On September 6, 2022, the Company completed the third issuance of shares ("Tranche 3") to POSCO pursuant to the SPA by issuing 7,228,916 common shares with a fair value of $3,000,000. All common shares issued under the SPA were subject to a hold period of four months and one day from the date of issuance.

Following the first close of the SPA and the dissolution of the shareholder joint venture agreement on February 23, 2022, the Company assessed it has control over KCC and has consolidated KCC from such point, resulting in the Company consolidating 100% of KCC's working capital of $0.1 million and interest in the Kwanika Project of $16.4 million at such time as an exploration and evaluation asset.

(Expressed in Canadian Dollars)

3. Investment in joint venture – Kwanika Copper Corporation (cont'd)

The fair value of the total consideration of $10.3 million exceeded POSCO's share of the net assets of KCC at the time of the transaction by $5.7 million and this has been recorded as an addition to the cost of the consolidated Kwanika mineral property in the Company's consolidated statement of financial position, to bring the overall value of the Kwanika exploration and evaluation asset to $22.1 million.

During the period January 1, 2022, to February 23, 2022, NorthWest incurred $178,800 in costs on behalf of KCC. Following approval of the funding request by the KCC board, the amount owing from KCC to NorthWest was settled in common shares of KCC. During the same period, KCC's net loss was $146,075, of which $145,574 was exploration and evaluation expenditures. NorthWest Copper recorded $105,270 as a joint venture loss for the period from January 1, 2022, to February 23, 2022, being 72.07% of KCC's loss prior to consolidation. All expenses of KCC since February 23, 2022, which are comprised principally of exploration and evaluation expenditures, are consolidated and recorded in the appropriate line items within the statement of loss.

Prior to February 23, 2022, NorthWest was the operator of the project and earned management fee income of $8,862.

Changes in the investment in joint venture for the year ended December 31, 2022, was as follows:

Balance December 31, 2021	$	11,648,360
Additional investment in joint venture		343,100
Share of joint venture loss from January 1, 2022 to February 23, 2022		(105,270)
Elimination on consolidation		(11,886,190)
Balance December 31, 2022	$	-

4. Receivables

		December 31, 2023		December 31, 2022
Goods and services tax receivable	$	36,406	$	601,037
Consideration receivable from Alpha (Note 6(c)(vii))		-		500,000
BC METC receivable		402,673		413,757
Other receivables		16,015		69,106
	$	**455,094**	**$**	**1,583,900**

(Expressed in Canadian Dollars)

5. Property, plant and equipment

	Leased Office	Furniture and Equipment	Total
Cost			
Balance December 31, 2021	$ 223,437	$ 74,423	$ 297,860
Additions	-	37,670	37,670
Balance December 31, 2022	$ 223,437	$ 112,093	$ 335,530
Additions	-	-	-
Balance December 31, 2023	$ 223,437	$ 112,093	$ 335,530
Accumulated depreciation			
Balance December 31, 2021	$ 35,749	$ 38,429	$ 74,178
Additions	107,248	21,409	128,657
Balance December 31, 2022	$ 142,997	$ 59,838	$ 202,835
Additions	80,440	19,043	99,483
Balance December 31, 2023	$ 223,437	$ 78,881	$ 302,318
Net book value			
Balance December 31, 2022	$ 80,440	$ 52,255	$ 132,695
Balance December 31, 2023	**$ -**	**$ 33,212**	**$ 33,212**

For the year ended December 31, 2023, depreciation of $3,332 (year ended December 31, 2022 - $205) has been included in exploration and evaluation expenditures in the consolidated statements of loss.

6. Exploration and evaluation assets and expenditures

a) ***Exploration and Evaluation Assets***

Details of the Company's exploration and evaluation assets, including acquisition costs related to its projects, are as follows:

	Milligan West	Top Cat	East Niv	Kwanika	Stardust	Lorraine	Other	Total
Balance - December 31, 2021	$ 43,111	$ 174,502	$ 76,754	$ -	$ 52,635,218	$ 2,652,398	$ 419,298	$ 56,001,281
Consolidation on acquisition of control (Note 3)	-	-	-	22,129,382	-	-	-	22,129,382
Additions	-	85,500	-	-	-	-	24,872	110,372
Change in estimate of provision for closure and reclamation (Note 7)	-	-	32,500	120,000	(53,493)	95,000	-	194,007
Balance - December 31, 2022	$ 43,111	$ 260,002	$ 109,254	$ 22,249,382	$ 52,581,725	$ 2,747,398	$ 444,170	$ 78,435,042
Additions	-	112,000	-	10,017	-	-	32,258	154,275
Impairment	-	-	-	-	-	-	(143,144)	(143,144)
Balance - December 31, 2023	$ 43,111	$ 372,002	$ 109,254	$ 22,259,399	$ 52,581,725	$ 2,747,398	$ 333,284	$ 78,446,173

During the year ended December 31, 2023, the Company recorded an impairment of $143,144 relating to capitalized acquisition costs of several non-material claims the Company does not intend to renew or has already allowed to lapse.

b) ***Exploration and Evaluation Expenditures***

The nature of exploration expenditures during the years ended December 31, 2023, and December 31, 2022, are as follows:

(Expressed in Canadian Dollars)

6. Exploration and evaluation assets and expenditures (cont'd)

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries	$ 1,268,146	$ 2,587,853
ESG	223,460	426,086
Software, storage and admin	202,771	218,026
Drilling and assaying	180,863	6,314,294
Resource studies	108,095	1,090,059
Geophysics	106,054	2,196,131
Camp and operations	99,102	6,394,363
Travel and accommodation	93,269	239,948
Aircraft	41,825	2,391,278
Costs recovered	-	(88,620)
Government Assistance	(604,502)	(413,757)
Total	**$ 1,719,083**	**$ 21,355,661**

Details of the Company's exploration and evaluation expenditures, by exploration project, which have been cumulatively expensed in the statements of loss and comprehensive loss from the date of acquisition, are as follows:

	Milligan West	Top Cat	East Niv	Kwanika	Stardust	Lorraine	Other	Total
Balance - December 31, 2022	$ 588,441	$ 729,045	$ 8,550,544	$ 8,683,247	$ 4,485,394	$ 5,676,394	$ 1,071,705	$ 29,784,770
Costs incurred during period:								
Salaries	2,228	34,577	100,787	437,169	267,723	381,688	43,974	1,268,146
ESG	-	35,192	41,444	35,941	35,192	40,499	35,192	223,460
Software, storage and admin	-	20,348	39,035	45,667	37,569	37,569	22,583	202,771
Drilling and assaying	-	(38,778)	(5,010)	21,153	-	203,498	-	180,863
Resource studies	-	-	-	57,547	50,548	-	-	108,095
Geophysics	216	15,320	20,923	7,704	8,381	52,064	1,446	106,054
Camp and operations	-	-	17,153	28,768	-	53,181	-	99,102
Travel and accommodation	-	-	18,889	27,421	-	46,959	-	93,269
Aircraft	-	-	20,720	-	-	21,105	-	41,825
Government Assistance	(733)	(13,893)	(64,472)	(167,447)	(93,389)	(240,384)	(24,184)	(604,502)
	1,711	52,766	189,469	493,923	306,024	596,179	79,011	1,719,083
Balance - December 31, 2023	**$ 590,152**	**$ 781,811**	**$ 8,740,013**	**$ 9,177,170**	**$ 4,791,418**	**$ 6,272,573**	**$ 1,150,716**	**$ 31,503,853**

	Milligan	Top Cat	East Niv	Kwanika	Stardust	Lorraine	Other	Total
Balance - December 31, 2021	$ 581,447	$ 437,130	$ 3,899,352	$ -	$ 942,813	$ 1,743,503	$ 824,864	$ 8,429,109
Costs incurred during year:								-
Camp and operations	-	80,788	1,408,947	1,654,405	1,054,135	2,147,523	48,565	6,394,363
Drilling and assaying	3,173	19,182	1,085,377	3,397,571	1,207,485	596,312	5,194	6,314,294
Salaries	3,821	102,656	172,072	1,159,494	539,441	555,335	55,034	2,587,853
Aircraft	-	81,289	1,396,451	405,536	-	455,302	52,700	2,391,278
Geophysics	-	-	422,509	1,282,392	63,100	279,340	148,790	2,196,131
Resource studies	-	-	-	516,707	520,350	53,002	-	1,090,059
ESG	-	8,000	122,143	106,402	95,861	68,502	25,178	426,086
Travel and accommodation	-	-	27,930	212,018	-	-	-	239,948
Admin	-	-	44,501	54,436	62,209	56,880	-	218,026
Costs recovered (Note 6c(vii))	-	-	-	-	-	-	(88,620)	(88,620)
Government Assistance	-		(28,738)	(105,714)	-	(279,305)	-	(413,757)
	6,994	291,915	4,651,192	8,683,247	3,542,581	3,932,891	246,841	21,355,661
Balance - December 31, 2022	**$ 588,441**	**$ 729,045**	**$ 8,550,544**	**$ 8,683,247**	**$ 4,485,394**	**$ 5,676,394**	**$ 1,071,705**	**$ 29,784,770**

During the year ended December 31, 2023, the Company accrued $604,502 in BC Mineral Exploration Tax Credits ("BCMETC") receivable (year ended December 31, 2022 - $413,757), which was recorded as a

6. Exploration and evaluation assets and expenditures (cont'd)

reduction in exploration and evaluation expenditures. The Company has received all METC recorded at December 31, 2022, as well as $201,829 of the METC accrued in 2023.

c) ***Exploration projects***

(i) Kwanika-Stardust Project

The Company owns 100% of the copper-gold Kwanika-Stardust project, located in north-central British Columbia. The Kwanika-Stardust project is comprised of the adjacent Stardust and Kwanika properties. The Company acquired the Stardust property following completion of the arrangement agreement with Sun Metals Corp. in 2021, and the Company purchased POSCO's remaining interest in KCC, the entity which owned the Kwanika property, in 2022 (note 3).

(ii) East Niv

The Company acquired East Niv, located in British Columbia, by staking in 2018. In 2021, the Company staked an additional 16 claims.

(iii) Lorraine Project

The Lorraine project comprises two contiguous properties in British Columbia, the Lorraine-Jajay and the Tam-Misty properties. The Company owns 100% of the Lorraine-Jajay property, and 90% of the adjacent Tam-Misty property, with Commander Resources holding a 10% carried interest. The Tam-Misty property is subject to a 3% NSR royalty, which can be reduced to 1% NSR royalty by paying $1,000,000 per each 1% for a total of $2,000,000 dollars and is subject to a capped advanced royalty payment of $500,000, of which $500,000 had been paid by December 31, 2021. In addition, a 2% NSR royalty exists relating to claims comprising certain claims known as the Lorraine and Dorothy claims and 2% NSR royalties exist in relation to certain claims known as the Steelhead and Steele claims.

Pursuant to the terms of an agreement between the Company's subsidiary Tsayta and Teck Resources Limited ("Teck" and the "Teck Agreement" respectively), dated November 26, 2020, Tsayta acquired Teck's 51% joint venture interest in the Lorraine Project in exchange for $1,500,000 that was paid in common shares over a two-year period. On November 25, 2022, the Company issued 2,136,752 common shares with a fair value of $500,000 to Teck to settle the final tranche.

The Company may also make the following contingent milestone payments to Teck in either cash or common shares of the Company:

- $500,000 upon a Preliminary Economic Assessment;
- $2,000,000 upon a Feasibility Study; and
- $5,000,000 upon a construction decision.

Such contingent amounts are not accrued at December 31, 2023, and will be recorded only at such date that meeting the associated milestone is reasonably certain.

Pursuant to the terms of the acquisition, Teck has also retained a 1.0% NSR royalty on all claims that are not already burdened by a royalty and a 0.25% NSR royalty on all claims that are subject to existing royalties. Additionally, if the Company sells or options all or a portion of the property to a third party at any time during a 60-month period commencing from the date of the Teck Agreement, the Company will pay to Teck 20% of the sale proceeds, net of exploration expenses incurred on the property by the Company following closing.

6. Exploration and evaluation assets and expenditures (cont'd)

(iv) Milligan West

The Company owns a 56.3% interest in the Milligan West property, an unincorporated joint venture with Fjordland Exploration Inc., an arm's-length company also listed on the TSX-V. The Company is entitled to act as Operator for so long as its interest is 50% or more.

(v) Top Cat

On July 12, 2019, the Company optioned the Top Cat claims, and may earn a 100% interest by:

- Making staged cash payments totaling $340,000 over 5 years; $18,000 of which was paid on signing. On November 7, 2019, the Company issued 41,666 shares at a fair value of $18,333 in lieu of cash payment pursuant to the option agreement. On July 13, 2020, the Company paid $22,000, on July 20, 2021, paid $25,000, and on July 13, 2022, paid $60,000;
- Issuing a total of 750,000 common shares in stages over a 5-year period. On August 2, 2019, 50,000 shares with a fair value of $27,000 were issued upon TSX-V approval of the option agreement. On July 13, 2020, the Company issued 50,000 shares with fair value of $28,000, on July 20, 2021, the Company issued 50,000 shares with a fair value of $35,000, on July 13, 2022, the Company issued 100,000 shares with a fair value of $25,500, and on July 31, 2023 issued 150,000 common shares with a fair value of $27,000;
- Incurring a total of $1,250,000 in exploration expenditures over a 5-year period with a minimum of $100,000 to be spent before the first anniversary of the agreement, which minimum was made prior to the first anniversary;
- Granting the optionors a 3% NSR on the property, subject to the Company's right to purchase a 2% NSR for $2,000,000 at any time prior to the first anniversary of commercial production.

The Company entered into an amendment to the Top Cat option agreement dated July 19, 2023, to amend certain terms related to the fourth tranche cash payment. As a result of the amendment, the Company paid $25,000 in July 2023, and the following cash payments totaling $185,000 remain owing:

- $60,000 on or before February 1, 2024;
- $125,000 on or before August 1, 2024.

The Company has accrued for the $60,000 payment at December 31, 2023 as such amount was due in 2023, with the Company receiving an extended payment term to February 1, 2024. Such amount was paid subsequent to December 31, 2023.

(vi) Net Smelter Return Royalties ("NSRs") – Thor Marmot and Deer Lake Properties

During the year ended February 28, 2019, the Company acquired NSRs of 0.75% on each of the Thor Marmot and Deer Lake Properties located in the Kemess and Kamloops Mining Districts from Electrum and received a payment of $10,000 in exchange for Portable Assessment Credits that the Company transferred to Electrum for the maximum allowable five-year period.

(vii) Okeover Property

On March 11, 2022, the Company received 267,159 common shares with a fair value of $253,801 (and a deemed value of $250,000) from Alpha Copper Corp. ("Alpha"), a CSE-listed company (the "Alpha Shares"), representing the first payment under a property option agreement dated January 13, 2022, among Eastfield Resources Ltd., Alpha and the Company (the "Option Agreement"). Pursuant to the Option Agreement, Alpha had the right to acquire a 100% interest in the Okeover property, subject to a 2% NSR, by issuing common shares and incurring staged expenditures over a three year period. Additionally, under the terms of the Option Agreement, during the year ended December 31, 2022, Alpha reimbursed the Company for $88,620 in expenditures incurred during the 10 months ended December 31, 2021, which was recorded as a recovery in exploration and evaluation expense.

6. Exploration and evaluation assets and expenditures (cont'd)

Pursuant to the terms of the Option Agreement, the issuance of additional shares with a value of $500,000 on or before March 11, 2023, and $500,000 in expenditures were an obligation of Alpha upon entering into the Option Agreement and as such at December 31, 2022, the Company had recorded a receivable from Alpha of $500,000. In March 2023, the Company received notice of termination from Alpha of the Option Agreement. The common shares with a value of $500,000 were not received in March 2023 and the Company notified Alpha of their obligation under the Option Agreement to issue the common shares.

In September 2023, the Company entered into a property sale agreement with Alpha, whereby Alpha acquired a 100% interest in the Okeover property, subject to a 2% NSR to be retained by the Company (the "NSR Royalty") and by issuing common shares with a value of $500,000, which settled the outstanding receivable.

On October 6, 2023, the Company completed the sale of the Okeover property to Alpha and received 5,675,369 common shares with a fair value of $482,406 (and a deemed value of $500,000) (the "Second Alpha Shares").

As there was no capitalized cost associated with the Okeover property, the value of the Alpha Shares received, and the committed receivable, was recorded as a gain on option of mineral property in the statement of loss during the six months ended June 30, 2022. The Alpha Shares and Second Alpha Shares were classified as fair value through profit and loss financial instruments and were recorded as marketable securities in the statement of financial position, with gains and losses resulting from the change in fair value recorded in the consolidated statement of loss for the period. In June 2023, the Company disposed of the 267,159 Alpha Shares for proceeds of $31,697 and recorded a loss of $21,735 in the statement of loss.

The Company recorded a total loss of from the change in fair value of the Alpha Shares and Second Alpha Shares of $379,852 in the year ended December 31, 2023 (loss of $200,369 in the year ended December 31, 2022). The fair value of the Second Alpha Shares at December 31, 2023, is $141,884.

(viii) Other Properties

The Company also holds a 100% interest in several other properties located in British Columbia, including the Arjay, Tchentlo and Croy-Bloom properties.

On September 13, 2022, the Company entered into an agreement to option the Asitka claims, located in British Columbia, and may earn a 100% interest, subject to a 1.5% NSR, by:

- Making staged cash payments totaling $230,000 over 4 years; and
- Issuing common shares with a total fair value of $200,000 in stages over a 4-year period.

The Company is under no obligation to issue any of the common shares or make any cash payments. The Company can decide not to proceed with the option at any time.

Subsequent to the agreement receiving all required approvals, on October 18, 2022, the Company made the first option payments, comprised of $10,000 and 46,568 common shares with a fair value of $12,500. In July 2023, the Company made the second option payments, comprised of $15,000 and 68,027 common shares with a fair value of $12,500.

7. Reclamation deposits and closure and reclamation provision

The Company has posted bonds and investment certificates to provide for certain potential current and future reclamation liabilities as agreed with the Province of British Columbia – Ministry of Energy, Mines and Low Carbon Innovation. The deposits are considered long-term, regardless of their term, as the funds will remain on deposit until any potential obligation is extinguished.

(Expressed in Canadian Dollars)

7. Reclamation deposits and closure and reclamation provision (cont'd)

		December 31, 2023		December 31, 2022
Balance, beginning	$	482,638	$	250,396
Additional reclamation deposits required		-		223,742
Reclamation deposits acquired on consolidation of Kwanika		-		60,500
Reclamation deposit receivable (Lorraine project)		-		(52,000)
Balance, Ending	**$**	**482,638**	**$**	**482,638**

The Company has recorded a provision for closure and reclamation in the amount of $327,500 (December 31, 2022 - $327,500), being the best estimate of the costs required in relation to disturbances to date. As the Company does not have a set timeline as to when any such reclamation activities will occur it has recognized the full amount of the provision and has not discounted the provision. The Company does not expect to incur any reclamation costs in the next year.

8. Leases

The Company leases assets such as office space. The associated right-of-use asset is classified as property, plant and equipment in the statement of financial position.

The Company's lease with respect to its head office premises, which expired on September 30, 2023, was paid to Oxygen pursuant to the Oxygen Agreement (Note 10):

		December 31, 2023		December 31, 2022
Current portion	$	-	$	84,744
Long term portion		-		-
	$	**-**	**$**	**84,744**

		December 31, 2023		December 31, 2022
Balance, beginning	$	84,744	$	190,134
Principal payments		(87,594)		(116,792)
Recognition of liability		-		-
Finance charge		2,850		11,402
Balance, ending	**$**	**-**	$	84,744

Total undiscounted lease payments exclude leases that are classified as short-term and leases for low value assets, which are not recognized as lease liabilities. For the year ended December 31, 2023, the Company recognized $2,850 in interest expense on lease liabilities (year ended December 31, 2022 – $11,402). The Company's lease with respect to its head office premises included variable payments that do not depend on an index or rate. As such, these payments were excluded from the lease liability. The Company expensed $49,633 of variable lease payments for the year ended December 31, 2023 (year ended December 31, 2022 - $63,394) (Note 10).

9. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value and 20,000,000 preferred shares.

9. Share capital and reserves (cont'd)

Issued share capital

Year ended December 31, 2023

At December 31, 2023, there were 207,152,859 issued and fully paid common shares, and nil preferred shares.

i) During the year ended December 31, 2023, 1,066,666 RSUs were exercised by employees and consultants and settled in common shares of the Company.

ii) During the year ended December 31, 2023, 600,000 DSUs were exercised by former Directors and settled in common shares of the Company.

iii) On February 3, 2023, the Company closed the first tranche of a private placement offering for aggregate proceeds of $4,332,730, consisting of 18,837,955 units at a price of $0.23 per unit. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one additional common share until February 3, 2025, at an exercise price of $0.30.

iv) On February 9, 2023, the Company closed the second and final tranche of a private placement offering for aggregate proceeds of $726,600, consisting of 3,159,131 units at a price of $0.23 per unit. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one additional common share until February 9, 2025, at an exercise price of $0.30. In connection with the private placement the Company paid commissions and legal fees totaling $27,216.

v) On July 31, 2023, the Company issued 150,000 shares with a fair value of $27,000 pursuant to the option agreement on the Top Cat project (Note 6(c)(v)).

vi) On July 31, 2023, the Company issued 68,027 shares with a fair value of $12,500 pursuant to the option agreement on the Asitka claims (Note 6(c)(viii)).

vii) On December 11, 2023, the Company closed the first tranche of a private placement offering for aggregate proceeds of $225,251, consisting of 2,145,250 common shares of the Company which were issued on closing.

viii) On December 21, 2023, the Company closed the second tranche of a private placement offering for aggregate gross proceeds of $288,960, consisting of 2,752,000 common shares of the Company which were issued on closing.

ix) On December 29, 2023, the Company closed the third tranche of a private placement offering for aggregate gross proceeds of $297,000, consisting of 2,828,571 common shares of the Company which were issued on closing. At December 31, 2023, the proceeds of the third tranche were held in trust with the Company's legal counsel and were received in January 2024. In connection with tranches 1-3 of the private placement the Company paid commissions totaling $11,273.

x) On December 29, 2023, the Company closed a rights offering financing for aggregate proceeds of $873,225, consisting of 8,316,425 common shares of the Company which were issued on closing. At December 31, 2023, the proceeds of the rights offering were held in trust with the Company's transfer agent and were received in January 2024. The Company paid legal fees totaling $23,000 in regard to tranches 1-3 of the private placement and the rights offering.

Year ended December 31, 2022

At December 31, 2022, there were 167,228,834 issued and fully paid common shares, and nil preferred shares.

(Expressed in Canadian Dollars)

9. Share capital and reserves (cont'd)

xi) On February 23, 2022, the Company issued 5,194,805 common shares with a fair value of $3,324,675 pursuant to the SPA with POSCO (Note 3).

xii) On April 25, 2022, the Company issued 5,934,718 common shares with a value of $4,000,000 pursuant to the SPA with POSCO (Note 3).

xiii) On September 6, 2022, the Company issued 7,228,916 common shares with a value of $3,000,000 pursuant to the SPA with POSCO (Note 3).

xiv) On July 13, 2022, the Company issued 100,000 shares with a fair value of $25,500 pursuant to the option agreement on the Top Cat project (Note 6c(v)).

xv) On July 25, 2022, the Company issued 200,000 common shares as a result of a DSU exercise by a former Director.

xvi) On October 18, 2022, the Company issued 46,568 common shares with a fair value of $12,500 pursuant to the Asitka option agreement (Note 6(viii)).

xvii) On November 25, 2022, the Company issued 2,136,752 common shares with a fair value of $500,000 pursuant to the agreement with Teck on the Lorraine project (Note 6c(iii)).

xviii) During the year ended December 31, 2022, 475,000 stock options were exercised for gross proceeds of $153,300 and 552,446 warrants were exercised for gross proceeds of $287,272. The weighted average share price on the date the stock options were exercised during the period was $0.65 and the weighted average share price on the date the warrants were exercised during the period was $0.70.

Warrants

The changes in warrants during the years ended December 31, 2023, and December 31, 2022, are as follows:

	December 31, 2023		**December 31, 2022**	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning	4,625,381	$ 1.63	14,802,384	$ 1.06
Warrants issued	10,998,548	0.30	-	-
Warrants exercised	-	-	(552,446)	0.52
Warrants expired	(4,625,381)	1.63	(9,624,557)	0.82
Warrants outstanding, ending	**10,998,548**	**$ 0.30**	**4,625,381**	**$ 1.63**

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

(Expressed in Canadian Dollars)

9. Share capital and reserves (cont'd)

Number of warrants	Exercise price	Expiry date
9,418,982	$0.30	February 3, 2025
1,579,566	$0.30	February 9, 2025
10,998,548		

The proceeds from the private placements of units in February 2023 were allocated on a relative fair value basis between the common shares and warrants that comprise each unit. The fair value of warrants granted during the year ended December 31, 2023, and used in the relative fair value calculation, was determined using the Black-Scholes option pricing model. The assumed dividend yield and forfeiture rate were nil and nil, respectively. Other weighted average assumptions were as follows:

Expected life of warrants in years	2
Annualized volatility[1]	60.3%-60.9%
Risk-free interest rate	3.9%

[1] Volatility was determined using the average historic volatility of the Company's share price over the same period of time as the expected life of the warrant.

Stock options

The Company has adopted an equity incentive plan (the "EIP"), which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V policies, grant to directors, officers, employees and consultants of the Company, non-transferable stock options to purchase common shares. On September 26, 2023, the Company's shareholders approved the EIP, which is a 10% rolling plan.

The changes in stock options during the years ended December 31, 2023, and December 31, 2022, are as follows:

	December 31, 2023		December 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	11,519,675	$ 0.82	12,533,540	$ 0.82
Options granted	4,240,625	0.20	650,000	0.61
Options exercised	-	0.32	(475,000)	0.32
Options expired	(2,101,666)	0.92	(900,532)	0.99
Options forfeited	(1,651,667)	0.51	(288,333)	0.87
Options outstanding, ending	**12,006,967**	**$ 0.62**	**11,519,675**	**$ 0.82**
Options exercisable, ending	**9,048,008**	**$ 0.67**	**7,889,675**	**$ 0.81**

Details of options outstanding as at December 31, 2023, are as follows:

(Expressed in Canadian Dollars)

9. Share capital and reserves (cont'd)

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.20 - $0.60	2.20 years	4,490,625	2,758,333
$0.65 - $0.80	1.89 years	3,643,333	2,983,333
$0.84 - $2.14	1.69 years	3,873,009	3,306,342
	2.01 years	**12,006,967**	**9,048,008**

The fair value of options granted during the years ended December 31, 2023, and December 31, 2022, was determined using the Black-Scholes option pricing model. For all grants, the assumed dividend yield and forfeiture rate were nil and nil, respectively. Other weighted average assumptions were as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Expected life of options in years	5	5
Annualized volatility[1]	84.8%-85.2%	85.0%-85.5%
Risk-free interest rate	3.1%-3.9%	0.2%-0.3%
Weighted average Black-Scholes fair value	$0.14	$0.41

[1] Volatility was determined using the average historic volatility of the Company's share price over the same period of time as the expected life of the option.

Stock options granted are typically subject to vesting provisions whereby one third vest one year from the grant date, one third vest two years from the grant date, and one third vest three years from the grant date. The following option grants are subject to alternate vesting provisions:

1. The 400,000 options granted on March 14, 2022, were granted to a non-executive director and vested immediately.
2. 1,300,000 of the 3,540,625 options granted January 6, 2023, were granted to non-executive directors and vested immediately. The remaining 2,240,625 options were granted to employees and consultants and subject to typical vesting provisions.
3. The 300,000 options granted on May 12, 2023, were granted to the Company's interim chief executive officer and vest one year from the grant date. These options were forfeited on September 28, 2023, upon his departure.
4. The 400,000 options granted on September 6, 2023, were granted to a non-executive director and vested immediately.

The Company recorded share-based payment expense related to stock options for the year ended December 31, 2023, of $547,149 (year ended December 31, 2022 - $1,550,789). The net expense related to stock options for the year ended December 31, 2023, reflects a reversal of expense recorded in prior periods of $301,879, relating to the forfeiture of 1,651,667 unvested options, by departing employees.

Deferred Share Units ("DSU")

Under the Company's EIP, the board of directors may, from time to time, grant DSUs to non-employee directors of the Company. The DSUs vest immediately and can be redeemed by the holder for no consideration during the period commencing immediately following a termination of the holders' position as a director and ending on the 90th day following such termination date.

A summary of DSU activity during the years ended December 31, 2023, and December 31, 2022, is as follows:

(Expressed in Canadian Dollars)

9. Share capital and reserves (cont'd)

	Number of DSUs
Outstanding balance – December 31, 2021	1,000,000
Exercised	(200,000)
Outstanding balance – December 31, 2022	800,000
Granted	300,000
Exercised	(600,000)
Expired	(500,000)
Outstanding balance – December 31, 2023	**-**

DSU expense for the year ended December 31, 2023, was $51,000 (year ended December 31, 2022 - $nil).

Restricted Share Units ("RSU")

Under the Company's EIP, the board of directors may, from time to time, grant RSUs to employees, consultants or directors of the Company. The board of directors may determine the time during which the RSUs shall vest and the method of vesting, subject to TSX-V policies.

A summary of RSU activity during the years ended December 31, 2023, and December 31, 2022, is as follows:

	Number of RSUs
Outstanding balance – December 31, 2021	3,350,000
Granted	50,000
Forfeited	(75,000)
Outstanding balance – December 31, 2022	3,325,000
Granted	757,813
Forfeited	(633,334)
Exercised	(1,066,666)
Outstanding balance – December 31, 2023	**2,382,813**

RSUs granted are typically subject to vesting provisions whereby one third vest one year from the grant date, one third vest two years from the grant date, and one third vest three years from the grant date. The RSUs granted on January 6, 2023, and May 12, 2023, vest one year from the grant date. The 200,000 RSUs granted on May 12, 2023, were forfeited on September 28, 2023.

RSU expense for the year ended December 31, 2023, was $332,975 (year ended December 31, 2022 - $1,194,652). The net expense related to RSUs for the year ended December 31, 2023, reflects a reversal of expense recorded in prior periods of $220,864, relating to the forfeiture of 633,334 unvested RSUs by departing employees.

Reserves

The share-based payment reserve comprises share-based payments and warrant payments. When stock options or warrants are exercised, the corresponding amount is transferred to share capital. When stock options and warrants expire, the corresponding amount remains in share-based payment reserve.

(Expressed in Canadian Dollars)

10. Related party transactions

In addition to balances and transactions disclosed in Note 8 to these consolidated financial statements, the Company has the following related party balances and transactions as at December 31, 2023, and December 31, 2022, and for the years ended December 31, 2023, and December 31, 2022.

Related party balances

Oxygen Capital Corp ("Oxygen") is a private company owned by two former directors of the Company and provided technical and administrative services to the Company under a Technical and Administrative Services Agreement dated September 1, 2021 (the "Oxygen Agreement") at cost, including providing office facilities and other administrative functions. The 10-year lease of the Company sublet from Oxygen (the "Lease"), ended on September 30, 2023, and the Company and Oxygen mutually gave notice to terminate the Oxygen Agreement, effective September 30, 2023. As at December 31, 2023, Oxygen no longer holds a security deposit on behalf of the Company (December 31, 2022 – a security deposit of $69,000 was recorded as a current deposit in the statement of financial position). Oxygen was considered a related party of the Company until September 26, 2023, when the final owner of Oxygen ceased to be a member of the Company's board of directors.

During the year ended December 31, 2023, a total of $183,165 was paid or accrued to Oxygen as a reimbursement of costs incurred by Oxygen on behalf of the Company (year ended December 31, 2022 – $266,547). Such amounts include the reimbursement of lease related expenses disclosed in Note 8. As at December 31, 2023, the Company has a payable amount to Oxygen of $29,714 (December 31, 2022 – $25,961). This amount was paid subsequent to December 31, 2023.

Key management personnel compensation – paid or accrued

Key management includes the members of the former Board of Directors (from January 1 to September 26, 2023), the current Board of Directors (from September 26, 2023 to current), the President and Chief Executive Officer (from January 1 to April 25, 2023), the Interim President and Chief Executive Officer (from April 26, 2023 to September 28, 2023), the Chief Financial Officer, the Vice President, Exploration and the Vice President, Sustainability. The aggregate total compensation paid or payable to key management for services is as follows:

		Year Ended December 31, 2023		Year Ended December 31, 2022
Salaries	$	901,902	$	924,896
Termination payments		226,600		-
Director fees		300,833		316,667
Non-cash share-based payments		790,457		1,870,140
	$	**2,219,792**	**$**	**3,111,703**

At December 31, 2023, director fees includes $145,833 of accrued fees to former directors and $78,750 of accrued fees to current directors, and salaries includes deferred salaries of $44,147. These amounts are included in trade payables and accrued liabilities at December 31, 2023. Subsequent to December 31, 2023, $67,500 of accrued fees to current directors was paid, as well as $27,897 of deferred salaries. At December 31, 2022, director fees includes $76,250 of accrued fees and salaries includes $85,938 of accrued employee bonuses, which were paid subsequent to December 31, 2022. Accounts payable at December 31, 2023, included $58,218 outstanding to a director of the Company in regard to costs incurred for the proxy contest. This amount was paid subsequent to December 31, 2023. Subsequent to December 31, 2023, the Company entered into an agreement to reimburse costs of $35,713 incurred in regard to the proxy contest by a

10. Related party transactions (cont'd)

shareholder of the Company and has made an offer to a shareholder to reimburse costs of approximately $90,000.

The Company is disputing a possible severance payment of $162,500, and has not recorded a related provision at December 31, 2023. No provision has been made in these financial statements with respect to the possible severance payment as Management does not consider that there is any probable loss.

11. Segmented information

The Company conducts its business in a single operating segment which is the mineral exploration business in Canada. The Company's exploration and evaluation assets are located in Canada.

12. Financial instruments

The Company's financial instruments consists of cash, short term investments, receivables, share subscriptions receivable, marketable securities, deposits, and trade payables, with the carrying amounts presented in the statement of financial position approximating their respective fair values because of their relatively short-term nature of such instruments.

There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Alpha Shares and the Second Alpha Shares (Note 6(c)(viii)) are a financial instrument measured at fair value through profit and loss using Level 1 inputs as Alpha Copper is listed on the CSE market. Other than the impact of the change in Alpha's share price, no factors affecting the fair value of the Alpha Shares and Second Alpha Shares in the time from the initial recognition to the period end were identified. Other than the Alpha Shares and Second Alpha Shares, the Company does not have any financial instrument assets or liabilities measured and recognized in the statement of financial position at fair value.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk is on its cash, short-term investments, receivables, share subscriptions receivable and deposits, the carrying value of such accounts in the statement of financial position represents the Company's maximum exposure to credit risk.

Cash and short-term investments are deposited in bank accounts at major banks in Canada for which there is low credit risk. As most of the Company's cash and cash equivalents are held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's share subscriptions receivable were held in trust with the Company's legal counsel and transfer agent and received in full subsequent to year end.

12. Financial instruments (cont'd)

The Company is also exposed to credit risk with respect to receivables and deposits. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable and has no provision for credit loss recorded at December 31, 2023, or December 31, 2022. The Company's deposits are with the government or financial institutions for reclamation for which credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from its ability to raise equity capital or borrowings sufficient funds and its holdings of cash and cash equivalents. See Note 1 Going Concern.

The Company's cash and short-term investments are liquid and available to meet the Company's ongoing obligations. The contractual maturities of the Company's trade payables and accrued liabilities are less than one year.

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 market interest rates. The Company is primarily exposed to interest rate risk with respect to interest earned on cash. A 1% change in the interest rate during the year ended December 31, 2023, or year ended December 31, 2022, would not have had a material impact on the Company's financial results.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to explore its mineral property interests and continue its operations for the benefit of its shareholders. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

15. Income tax

A reconciliation of income taxes at the Company's statutory income tax rate of 27% with the reported income taxes is as follows:

(Expressed in Canadian Dollars)

15. Income tax (cont'd)

	December 31, 2023	December 31, 2022
Net income (loss)	$ (7,383,905)	$ (21,429,908)
Expected income tax recovery	(1,993,655)	(5,786,075)
Deductible and non-deductible amounts	359,908	913,297
Share issuance cost	(16,602)	-
Change in unrecognized deductible temporary differences	1,650,349	1,104,026
Flow through shares	-	3,768,752
Income tax recovery	**$ -**	**$ -**

The significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets		
Exploration and evaluation assets	$ 1,435,768	$ 1,248,647
Investment tax credits	264,347	264,347
Equipment	116,002	114,477
Share issuance costs	337,488	531,342
Capital lease obligations	-	22,881
Non-capital losses	7,967,394	6,368,695
Capital losses	660,457	660,161
Reclamation obligation and other	166,459	115,475
Unrecognized	(10,947,915)	(9,304,305)
	-	21,718
Deferred tax liabilities		
Right-of-use asset	-	(21,718)
Other	-	-
Net deferred tax liability	**$ -**	**$ -**

The Canadian non-capital losses carry forward at December 31, 2023, are $29,508,866 and will expire between 2024 – 2043. Non-capital losses expiring in the next five years are as follows: 2024- $246,958; 2025 - $290,095; 2026 - $505,596; 2027 - $349,793; and 2028 - $1,015,083. The Canadian capital losses carryforward at December 31, 2023, are $4,890,082 and do not expire.

16. Subsequent events

Share capital transactions

a) Subsequent to December 31, 2023, 1,457,814 RSUs were exercised by employees and consultants and settled in common shares of the Company.

b) Subsequent to December 31, 2023, 166,667 vested RSUs and 149,999 unvested RSUs granted to former employees and consultants expired and were forfeited, respectively.

c) Subsequent to December 31, 2023, 1,149,458 vested stock options and 483,334 unvested stock options granted to former employees, consultants, and directors expired and were forfeited, respectively.

d) On January 24, 2024, the Company closed the fourth and final tranche of the private placement announced on November 27, 2023, for aggregate gross proceeds of $2,315,450, consisting of 22,051,905 common shares of the Company.