GOLD DIGGER RESOURCES INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022 AND FROM JULY 16, 2021 (DATE OF INCORPORATION) TO DECEMBER 31, 2021

(Expressed in Canadian Dollars)

Stern & Lovrics LLP
Chartered Professional Accountants

Samuel V. Stern, BA, CPA, CA
George G. Lovrics, BComm, CPA, CA

Nazli Dewji, BA, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Gold Digger Resources Inc.

Opinion

We have audited the financial statements of Gold Digger Resources Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2022 and for the period from incorporation (July 16, 2021) to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the year ended December 31, 2022 and the period from incorporation (July 16, 2021) to December 31, 2021 then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Information

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

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

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

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

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

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

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

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

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

The engagement partner on the audit resulting in this independent auditor's report is George G. Lovrics.

Stern & Lovrics LLP

Toronto, Ontario
March 28, 2023

Chartered Professional Accountants
Licensed Public Accountants

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

GOLD DIGGER RESOURCES INC.

Statement of Financial Position
(Expressed in Canadian dollars)

	As at December 31, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	**$ 597,075**	**$ 265,089**
Sales tax receivable	**23,842**	**8,537**
Prepaid expenses	**-**	**7,500**
TOTAL ASSETS	**$ 620,917**	**$ 281,126**
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 24,535**	**$ 9,702**
Total liabilities	**24,535**	**9,702**
Equity		
Share capital *(note 7)*	**1,291,243**	**476,671**
Warrants *(note 7)*	**521**	**521**
Contributed surplus *(note 7)*	**93,910**	**-**
Accumulated deficit	**(789,292)**	**(205,768)**
Total equity	**596,382**	**271,424**
TOTAL LIABILITIES AND EQUITY	**$ 620,917**	**$ 281,126**

Going concern (*note 1*)

Commitments and contingencies *(notes 5 and 11)*

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

Approved by the Board

Signed:

"Allan Bezanson", Director

Signed:

"Malcolm Smith", Director

GOLD DIGGER RESOURCES INC.

Statement of Loss and Comprehensive Loss
For the year ended December 31, 2022 and the period from July 16, 2021 (Date of Incorporation) to December 31, 2021
(Expressed in Canadian dollars)

		2022		2021
Expenses				
General and corporate *(notes 6 and 12)*	$	**213,353**	$	**39,060**
Share based payments		**55,342**		**-**
Exploration expenses (*note 5)*		**314,829**		**166,708**
Net loss and comprehensive loss for the period	**$**	**(583,524)**	**$**	**(205,768)**
Basic and diluted loss per share (*note 8*)	**$**	**(0.06)**	**$**	**(0.02)**
Basic and diluted weighted average shares outstanding (*note 8*)		**10,159,000**		**7,492,702**

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

GOLD DIGGER RESOURCES INC.

Statement of Cash Flows
For the year ended December 31, 2022 and the period from July 16, 2021 (Date of Incorporation) to December 31, 2021
(Expressed in Canadian dollars)

	2022	2021
Cash flow from operating activities		
Net loss for the period	**$ (583,524)**	$ (205,768)
Items not affecting cash:		
Share based payments	**55,342**	-
Shares issued for property option payment	**300,000**	-
Changes in non-cash working capital:		
Sales tax receivable	**(15,305)**	(8,537)
Accounts payable and accrued liabilities	**14,833**	9,702
Prepaid expenses and deposits	**7,500**	(7,500)
Total cash flows (used in) operating activities	**(221,154)**	(212,103)
Cash flow from financing activities		
Issue of common shares	**750,000**	485,180
Share issue costs	**(196,860)**	(7,988)
Total cash flows from financing activities	**553,140**	477,192
Increase in cash	**331,986**	265,089
Cash, beginning of period	**265,089**	-
Cash, end of year	**$ 597,075**	$ 265,089

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

GOLD DIGGER RESOURCES INC.

Statement of Changes in Equity
For the year ended December 31, 2022 and the period from July 16, 2021 (Date of Incorporation) to December 31, 2021
(Expressed in Canadian dollars)

	Share capital	**Share capital**	**Warrants**	**Contributed surplus**	**Deficit**	**Total**
	#	$	$	$	$	$
Shares issued from private placements (note 7)	10,159,000	484,659	521	-	-	485,180
Share issue costs	-	(7,988)	-	-	-	(7,988)
Net loss and comprehensive loss for the period	-	-	-	-	(205,768)	(205,768)
Balance, December 31, 2021	10,159,000	476,671	521	-	(205,768)	271,424
Balance, December 31, 2021	10,159,000	476,671	521	-	(205,768)	271,424
Shares issued on IPO (note 7)	3,000,000	750,000	-	-	-	750,000
Share issue costs (note 7)	-	(235,428)	-	38,568	-	(196,860)
Shares issued for property option payment	1,200,000	300,000	-	-		300,000
Share based payments	-	-	-	55,342	-	55,342
Net loss and comprehensive loss for the period	-	-	-	-	(583,524)	(583,524)
Balance, December 31, 2022	14,359,000	1,291,243	521	93,910	(789,292)	596,382

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

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of business

Gold Digger Resources Inc. (the "Company" or "Golddig"), was incorporated in Canada under the Business Corporations Act (British Columbia) on July 16, 2021 and carries on business in one segment, being the acquisition, exploration and development of mineral properties. The Company's registered and head office is located at 595 Howe St Floor 10th Vancouver BC V6C 2T5.

On November 2, 2022 the Company completed an initial public offering ("IPO") and commenced trading on the Canadian Securities Exchange under the trading symbol "GDIG".

These amended financial statements were approved by the board on March 28, 2023.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The amounts shown as exploration and evaluation assets do not necessarily represent present or future values. Changes in future conditions could require material write-downs to the carrying values of the Company's assets.

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

Going concern assumption

These financial statements are prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write-downs to the carrying value of the exploration and evaluation assets. Such adjustments could be material. The Company has incurred a net loss of $583,524 (2021 - $205,768) for the period ended December 31, 2022 and has an accumulated deficit of $789,292 (2021 - $205,768) and a working capital surplus of $596,382 (2021 - $271,424) as at December 31, 2022.

The recoverability of the costs incurred to date on exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Basis of presentation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective for the Company's reporting date.

Functional currency

The presentation currency of the Company and the functional currency of the Company is the Canadian dollar.

Critical judgments and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Going Concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

- Income, value added, withholding and other taxes

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

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)

- Share-based payments

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

- Contingences (note 11)

3. SIGNIFICANT ACCOUNTING POLICIES

Exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of the initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential, including acquisition costs. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. All exploration expenditures are expensed as incurred.

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures incurred subsequent to this date related to development and construction are capitalized as construction-in-process and classified as a component of property, plant and equipment.

Mining properties and process facility assets are amortized upon commencement of commercial production either on a unit-of-production basis over measured and indicated resources included in the mine plan or the life of the mine.

Decommissioning, restoration and environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying value of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

As at December 31, 2022, the Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not-deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the tax asset is not recognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the price of a non-flow through share and the amount the investor pays for the flow-through share. A liability is recognized for this difference. The liability is reduced and the reduction of premium liability is recorded in other income at the time when the Company files the appropriate renunciation forms with the Canadian taxation authorities.

A deferred tax liability is recognized, in accordance with IAS 12, *Income Taxes*, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

The Company indemnifies subscribers of flow-through shares for any tax related amounts that become due as a result of the Company not meeting its flow-through share related obligations.

Cash

The deposits are held in a Canadian chartered bank or financial institution.

Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings per share calculation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

During the period ended December 31, 2022, all issued and outstanding warrants were anti-dilutive and were excluded from the diluted loss per share calculations.

Share-based payments

The Company has a stock option plan (the "Plan") which is discussed in note 7. The Company uses the fair value-based method of accounting for stock-based compensation arrangements. The fair value of each option granted is accounted for in operations over the vesting period of the option using the Black-Scholes option pricing model at the date of grant, with the related increase to contributed surplus. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

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

Warrants

The Company has adopted the residual value method with respect to the valuation of warrants issued as part of a private placement unit. The residual value method allocates the net proceeds to the common shares up to their fair value, as determined by the current quoted trading price on the announcement date, and the balance, if any, to the attached warrants. Any fair value attributed to the warrants is recorded as warrants reserve. If the warrants are exercised, the related amount is reclassified as share capital.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The Company has no material provisions at December 31, 2022.

Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset's 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 for which estimates of future cash flows have not been adjusted.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as additional depreciation. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the depreciation charge for the period.

Share issue costs

Costs incurred for the issue of common shares are deducted from share capital.

Financial Instruments

Financial assets

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

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

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

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

Subsequent measurement – Financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Financial liabilities

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

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

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

Fair Value Hierarchy
The Company has a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Company's financial instruments. The hierarchy of inputs is summarized below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market is one in which transactions for the assets occur with sufficient frequency and volume to provide pricing information on an ongoing basis;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data.

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent accounting pronouncements

Various IFRS standards, interpretations, amendments and improvements of existing standards have been recently announced which will apply for future periods. These included IAS 1 and IAS 37. These new standards and changes are not expected to have any material impact on the Company's financial statements.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital, warrants, contributed surplus and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the period ended December 31, 2022. The Company is not subject to any externally imposed capital requirements.

5. EXPLORATION AND EVALUATION ASSETS

Regnault Project

On July 23, 2021, the Company entered into an option agreement with the right to acquire a 100% interest in the Regnault Property (the "Project") under the following terms.

1) The Company shall make a cash payment of $25,000 30 days after signing the agreement (paid);

2) Issue of 1,200,000 common shares to the Optionor on or before the Company's shares are listed on a stock exchange (issued on November 2, 2022 valued at $300,000);

3) If the Company exercises the option and acquires 100% interest in the Project, the Optionor is entitled to a 2% Net Smelter Returns royalty, payable upon the commencement of commercial production. The Company will have the right to purchase a 1% Net Smelter Returns royalty upon a payment of $2,000,000 to the optionor.

The exploration expenses on the Project for the year ended December 31, 2022, and the period ended December 31, 2021 are as follows:

	2022	2021
Option payments	$ 300,000	$ 25,000
Airborne survey	-	119,502
Compilation and reporting	14,829	-
Field program	-	22,206
	$ 314,829	$ 166,708

(Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Compensation of key management personnel

Key management includes members of the board of directors, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the year ended December 31, 2022 and the period from July 16, 2021 (date of incorporation) to December 31, 2021:

	2022	2021
CFO Consulting fees (i)	**$ 36,000**	$ 12,000
CEO Consulting fees (ii)	**20,000**	-
Share based payments to directors	**55,342**	-
	$ 111,342	$ 12,000

(i) The Company was charged $36,000 in 2022 (2021 - $12,000) fees by CFO Advantage Inc., a Company controlled by the CFO, for management fees. As at December 31, 2022, $3,150 is owing and included in accounts payable.

(ii) The Company was charged $20,000 in 2022 (2021 - $nil) for management fees by 2706971 Ontario Inc., a Company controlled by the CEO, for management fees. As at December 31, 2022, $5,250 is owing and included in accounts payable.

7. SHARE CAPITAL

a) Shares authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

b) Common shares issued and outstanding

Details of shares issued and outstanding are as follows:

(i) On July 16, 2021 the Company closed a private placement with proceeds of $6,000 raised through the issuance of 1,200,000 common shares at $0.005 per share.

(ii) The Company closed a private placement, in two tranches, with proceeds of $104,180 raised through the issuance of 5,209,000 flow through units at $0.02 per unit. The first tranche of 2,509,000 shares were issued on August 17, 2021 and a second tranche of 2,700,000 shares were issued on September 22, 2021. Each flow through unit comprised of one flow through common share at $0.0199 per flow through common shares and one common share purchase warrant (exercisable at $0.05 for a period of 3 years) at $0.0001 per warrant.

(iii) The Company closed a private placement, in two tranches, with proceeds of $375,000 raised through the issuance of 3,750,000 common shares at $0.10 per share. The first tranche of 1,500,000 shares were issued on September 22, 2021 and a second tranche of 2,250,000 shares were issued on September 29, 2021.

The warrants issued with the units were prescribed a value of $521.

During the period, the Company incurred legal fees related to the issuance of shares amounting to $7,988.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(iv) On November 2, 2022, the Company closed its initial public offering (the "Offering") of an aggregate of 3,000,000 common shares of the Company (the "Common Shares") at a price of $0.25 per Common Share (the "Offering Price") for aggregate gross proceeds of approximately $750,000. Pursuant to an agency agreement dated August 9, 2022, Leede Jones Gable Inc. (the "Agent") acted as agent on a commercially reasonable efforts basis in respect of the Offering and received a cash commission in the amount of $67,500 and a corporate finance fee in consideration for its services. In addition, the Company issued to the Agent and certain of its sub-agents an aggregate of 270,000 non-transferable agent's options to purchase Common Shares (the "Agent's Options"). Each Agent's Option is exercisable until November 2, 2024 at an exercise price of $0.25 per Common Share. The fair value of the agent options was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: current share price $0.25, expected volatility of 108%; expected dividend yield of 0%; risk-free interest rate of 3.94%; and expected life of 2 years. The options were valued at $38,568.

(v) The Company issued 1,200,000 in accordance with the option agreement on the Regnault Property (note 5). On the date of issuance, the shares had a fair market value of $300,000.

c) Share purchase warrants

Summary of warrants outstanding as at December 31, 2022:

# Outstanding	Grant Date Fair Value	Exercise Price	Expiry Date	Weighted average remaining life
5,209,000	$ 521	$ 0.05	Aug 2024	1.59

d) Stock options

Incentive stock options are governed by the Company's stock option plan (the "Plan") approved by the Company's directors on April 29, 2022. The purpose of the Plan is to offer to the Company's directors, officers, employees and consultants the opportunity to acquire a proprietary interest in the Company, thereby providing an incentive to such persons to promote the best interests of the Company, and to provide the Company with the ability to attract qualified persons as directors, officers and employees. The aggregate maximum number of options which may be granted under the Plan at any one time is 10% of the number of common shares outstanding at the time of grant.

On April 29, 2022, the Company issued 338,632 options to directors of the Company exercisable for a period of five years at an exercise price of $0.35 per option. The fair value of the options was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: current share price $0.25, expected volatility of 90%; expected dividend yield of 0%; risk-free interest rate of 2.75%; and expected life of 5 years. The options were valued at $55,342.

On November 2, 2022, the Company issued agent options (note 7(b)(v)).

Summary of options outstanding as at December 31, 2022:

Outstanding	Grant Date Fair Value	Exercise Price	Expiry Date	Remaining life
#	$	$		
338,632	55,342	0.35	April 29, 2027	4.33
270,000	38,568	0.25	Nov. 2, 2024	1.84

The weightage average remaining life of the options is 3.23 years. The weighted average exercise price of the options is $0.31.

(Expressed in Canadian dollars)

8. LOSS PER COMMON SHARE

The warrants and options outstanding were excluded from the computation of diluted loss per share in 2022 and 2021 because their impact was anti-dilutive.

9. INCOME TAXES

a) Provision for Income Taxes - Current

Major items causing the Company's income tax rate to differ from the Canadian statutory rate of approximately 26.5% were as follows:

	2022	2021
Loss before income taxes	$ (583,524)	$ (205,768)
Statutory rate applied to loss for the year before income taxes		
Expected income tax recovery:	(154,634)	(54,500)
Exploration expenditures	83,430	44,000
Share issue costs	(10,857)	(200)
Share based compensation	14,666	-
Tax benefit not recognized	67,395	10,700
Deferred income tax provision (recovery)	$ -	$ -

b) Deferred Income Tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities

	2022	2021
Recognized deferred tax assets and liabilities		
Non-capital loss carry-forwards	$ 28,400	$ 10,500
Exploration and evaluation expenditures	100,025	16,500
Share issue costs	43,200	2,000
	171,625	29,000
Unrecognized deferred tax assets	$(171,625)	$ (29,000)
	-	-

The deferred income tax assets have not been recognized above as it is not probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

c) Tax Loss Carry-Forwards

As at December 31, 2022, the Company has approximately $107,200 in income tax loss carry forwards that expire as follows:

2041	$ 39,800
2042	67,400
	$107,200

10. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures during the year ended December 31, 2022.

Credit risk
The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to these items is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had a cash balance of $597,075 (2021 - $265,089) to settle current liabilities of $24,535 (2021 - $9,702).

Market risk
(a) Interest rate risk
The Company has cash balances and no long-term debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign exchange risk
The Company's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk.

The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price risk
The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

Fair value of financial assets and liabilities
The Company measures its cash, amounts receivable and accounts payable and accrued liabilities, at amortized cost.

As at December 31, 2022, the fair values of the Company's financial instruments approximate their carrying values, given their short-term nature.

11. COMMITMENTS AND CONTINGENCIES

(a) See note 5 for additional commitments and contingencies on evaluation and exploration assets.

(b) The Company’s mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian dollars)

12. GENERAL AND CORPORATE EXPENSES

	2022	2021
Management compensation *(note 6)*	$ 56,000	$ 12,000
Consulting fees	38,413	15,000
Legal and audit	67,895	10,749
Administrative and general	22,755	1,311
Regulatory	28,290	-
	$ 213,353	$ 39,060