Talisker
RESOURCES

Condensed Interim Consolidated Financial Statements
(Unaudited)

As at and for the three months ended March 31, 2024 and 2023

(in Canadian dollars)

Talisker Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in Canadian dollars)

As at,	Notes		March 31, 2024		December 31, 2023
ASSETS					
Current assets					
Cash and cash equivalents	4	**$**	**2,998,569**	$	8,461,525
Amounts receivable	5		**197,411**		302,172
Inventory			**232,274**		216,411
Prepaid expenses			**520,734**		621,237
Total current assets			**3,948,988**		9,601,345
Reclamation deposits	10		**1,468,300**		1,468,300
Property, plant and equipment	6		**6,990,342**		7,115,595
Exploration and evaluation assets	7		**19,748,354**		19,682,854
TOTAL ASSETS		**$**	**32,155,984**	$	37,868,094
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	8, 16	**$**	**6,665,442**	$	7,194,757
RSU Liability	14		**13,275**		9,847
Current portion of lease obligation	9		**110,153**		111,176
Total current liabilities			**6,788,870**		7,315,780
Provision for site reclamation and closure	10		**18,761,738**		18,621,531
Lease payable	9		**233,111**		177,105
Flow through premium liability	12		**-**		318,000
Total liabilities			**25,783,719**		26,432,416
Shareholders' equity					
Issued capital	11		**101,379,657**		101,364,157
Share-based payment reserve	14		**479,000**		695,000
Warrant reserve	13		**6,348,200**		6,348,200
Accumulated deficit			**(101,834,592)**		(96,971,679)
Total shareholders' equity			**6,372,265**		11,435,678
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**32,155,984**	$	37,868,094

Nature of operations and going concern (note 1)

On behalf of the Board:

Signed: "Terence Harbort"
Terence Harbort
Chief Executive Officer and Director

Signed: "Morris Prychidny"
Morris Prychidny
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Talisker Resources Ltd.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian dollars)

For the three month periods ended March 31,	Note		2024		2023
Expenses					
Exploration and evaluation expenditures	16	$	**3,645,559**	$	1,023,827
Mine care and maintenance costs	16		**273,696**		262,692
Consulting and wages	16		**486,802**		503,487
Administration			**263,689**		179,648
Share-based expense	14		**3,428**		19,403
Public company costs	16		**198,926**		154,426
Travel and other			**43,846**		56,338
Depreciation of property, plant and equipment	6		**304,782**		314,008
Total expenses			**5,220,728**		2,513,829
Other income and expense					
Finance expense			**26,050**		4,547
Foreign currency translation loss			**9,928**		2,449
Gain on revaluation of RSU liability			**-**		(17,333)
Accretion on site reclamation and closure	10		**140,207**		154,082
			176,185		143,745
Loss before income taxes			**5,396,913**		2,657,574
Income tax recovery			**(318,000)**		(1,951,000)
Net loss and comprehensive loss		$	**5,078,913**	$	706,574
Loss per share - basic and diluted		**$**	**0.06**	$	0.01
Weighted average common shares outstanding			**89,184,640**		76,923,030

The accompanying notes are an integral part of these condensed interim consolidated financial statements

(Expressed in Canadian dollars)

	Number of Shares	Issued Capital	Share-based Payment Reserve	Warrant Reserve	Retained earnings (deficit)	Total
		(Note 11)	(Note 14)	(Note 13)		
Balance as at December 31, 2022	**76,815,882**	**98,154,998**	**3,723,245**	**5,957,200**	**$ (87,717,730)**	**$ 20,117,713**
Issue of shares for acquisition of mineral properties (Note 7)	30,000	17,250	-	-	-	17,250
Exercise of RSU's (Note 11)	95,333	67,925	-	-	-	67,925
Share based payments - options	-	-	9,746	-	-	9,746
Expiry of stock options	-	-	(113,000)	-	113,000	-
Net loss for the period	-	-	-	-	(706,574)	(706,574)
Balance as at March 31, 2023	**76,941,215**	**98,240,173**	**3,619,991**	**5,957,200**	**$ (88,311,304)**	**$ 19,506,060**
Issue of shares pursuant to private placement, net of issue costs (Note 11)	10,974,911	3,031,528	-	391,000	-	3,422,528
Flow through premium liability (Note 11)	-	(318,000)	-	-	-	(318,000)
Issue of shares for acquisition of mineral properties (Note 7)	30,000	17,250	-	-	-	17,250
Exercise of RSU's (Note 11)	703,350	253,206	-	-	-	253,206
Issued pursuant to agreement	498,901	140,000	-	-	-	140,000
Share based payments - options	-	-	349,649	-	-	349,649
Expiry of stock options	-	-	(3,274,640)	-	3,274,640	-
Net loss for the period	-	-	-	-	(11,935,015)	(11,935,015)
Balance as at December 31, 2023	**89,148,377**	**101,364,157**	**695,000**	**6,348,200**	**$ (96,971,679)**	**$ 11,435,678**
Issue of shares for acquisition of mineral properties (Note 7)	50,000	15,500	-	-	-	15,500
Expiry of stock options	-	-	(216,000)	-	216,000	-
Net loss for the period	-	-	-	-	(5,078,913)	(5,078,913)
Balance as at March 31, 2024	**89,198,377**	**101,379,657**	**479,000**	**6,348,200**	**$ (101,834,592)**	**$ 6,372,265**

The shares outstanding presented have been adjusted to reflect the effect of the 5:1 share consolidation that took place on September 1, 2023. Common shares, options, RSUs, warrants and per share amounts have been adjusted for the 5:1 share consolidation unless otherwise noted.

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Talisker Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(Expressed in Canadian dollars)

For the three month periods ended March 31,	Notes		**2024**		2023
Cash provided by (used in):					
Operating activities					
Net loss for the period		$	**(5,078,913)**	$	(706,574)
Items not involving cash:					
Income tax recovery	12		**(318,000)**		(1,951,000)
Gain on revaluation of RSU liability			**-**		(17,333)
Share-based expense	14		**3,428**		30,821
Accretion on site reclamation and closure	10		**140,207**		154,082
Depreciation of property, plant and equipment	6		**304,782**		314,008
Working capital changes					
Change in amounts receivable			**104,761**		84,935
Change in inventory			**(15,863)**		(52,375)
Change in prepaid expenses			**100,503**		(5,481)
Change in accounts payable and accrued liabilities			**(529,315)**		554,562
Cash flows used in operating activities			**(5,288,410)**		(1,594,355)
Investing activities					
Acquisition of exploration and evaluation assets	7		**(50,000)**		(51,600)
Acquisition of property, plant and equipment, net of sales	6		**(78,456)**		(2,803)
Cash used in investing activities			**(128,456)**		(54,403)
Financing activities					
Repayment of lease and equipment loans	9		**(46,090)**		(79,077)
Cash flows used in financing activities			**(46,090)**		(79,077)
Net decrease in cash and cash equivalents for the period			**(5,462,956)**		(1,727,835)
Cash and cash equivalents, beginning of the period			**8,461,525**		5,726,452
Cash and cash equivalents, end of the period		$	**2,998,569**	$	3,998,617
Supplementary cash flow information					
Interest received		$	**-**	$	641

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Talisker Resources Ltd. ("Talisker" or the "Company") is a publicly listed company incorporated in British Columbia and continued in the Province of Ontario. The Company is engaged in exploration and evaluation of mineral properties in British Columbia. The Company's shares are traded on the Toronto Stock Exchange (the "TSX") under the symbol TSK. The head office and registered address of the Company is located at 130 Adelaide Street West, Suite 3002, Toronto, Ontario, M5H 3P5.

The condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Notwithstanding the royalty agreement (Note 7), the Company's ability to continue as a going concern is dependent upon attaining profitable operations, and the ability to raise further public equity or other financing to meet its expenditure commitments in the next twelve months. There is no assurance that these activities will be successful in the future. As at March 31, 2024, the Company had cash of $2,998,569 and the Company recorded an accumulated deficit of $101,834,592 (December 31, 2023: $96,971,679), net loss of $5,078,913 (2023: $706,574), and net cash used in operating activities of $5,228,410 (2023: $1,594,355). The combination of these circumstances set out above represents a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern as the Company progresses towards the development of the Bralorne Gold Project. However, the Company is confident that it will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its condensed interim consolidated financial statements. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications that would be necessary if the going concern assumptions were not appropriate. These adjustments would be material to the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 14, 2024.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

New accounting standards effective as of January 1, 2024, including Amendments to IAS 1 - Non-current Liabilities with Covenants, do not have a material impact on the condensed interim consolidated financial statements.

In addition, IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The Company has not yet assessed the impact of IFRS 18 on the Company's financial statements. No standards have been early adopted in 2024.

2. BASIS OF PRESENTATION (continued)

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2023 annual financial statements, except for the adoption of new accounting standards effective January 1, 2024 (see discussion above).

Principles of Consolidation

These condensed interim consolidated financial statements for the three month periods ended March 31, 2024 and 2023 include the financial position, financial performance and cash flows of the Company and its subsidiary detailed below:

Subsidiary	Country of Incorporation	Economic Interest	Basis of Accounting
Bralorne Gold Mines Ltd.	Canada	100%	Full consolidation
New Carolin Gold Corp.	Canada	100%	Full consolidation

Subsidiaries - Subsidiaries are entities over which the Company has control, whereby control is defined as the power to direct activities of an entity that significantly affect the entity's returns so as to obtain benefit from its activities. Control is presumed to exist where the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date at which control ceases.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in 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.

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

- Exploration and Evaluation ***Assets' carrying values and impairment charges*** - The Company assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- ***Provision for site reclamation and closure*** – Provisions for site reclamation and closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 10. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

4. CASH AND CASH EQUIVALENTS

The balance at March 31, 2024 consists of cash on deposit with major Canadian banks in interest bearing accounts totaling $2,898,569 (December 31, 2023 - $8,361,525) and guaranteed investment certificates with major Canadian banks of $100,000 (December 31, 2023 - $100,000) for total cash and cash equivalents of $2,998,569 (December 31, 2023 - $8,461,525).

During the three month period ended March 31, 2024, the Company recognized interest income of $nil (2023 - $641).

5. AMOUNTS RECEIVABLE

As at,		March 31, 2024		December 31, 2023
HST receivable	**$**	**181,043**	$	286,609
Other receivables		**16,368**		15,563
	$	**197,411**	$	302,172

At March 31, 2024, the Company anticipates full recovery of these amounts and therefore no expected credit loss has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at March 31, 2024 and December 31, 2023.

(Expressed in Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment $	Buildings $	Land $	Water Treatment Facility $	Vehicles $	Right-of-Use Asset $	Total $
Balance at December 31, 2022	1,266,204	5,907,942	315,000	941,321	172,391	1,496,476	10,099,334
Additions	277,109	253,270	-	-	-	304,913	835,292
Disposals	(99,507)	-	-	-	-	-	(99,507)
Balance at December 31, 2023	1,443,806	6,161,212	315,000	941,321	172,391	1,801,389	10,835,119
Additions	28,456	50,000	-	-	-	101,073	179,529
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2024	1,472,262	6,211,212	315,000	941,321	172,391	1,902,462	11,014,648
ACCUMULATED DEPRECIATION							
Balance at December 31, 2022	770,678	569,227	-	210,844	66,812	921,432	2,538,993
Additions	378,933	449,543	-	62,060	22,815	354,987	1,268,338
Disposals	(87,807)	-	-	-	-	-	(87,807)
Balance at December 31, 2023	1,061,804	1,018,770	-	272,904	89,627	1,276,419	3,719,524
Additions	91,709	119,107	-	15,515	5,704	72,747	304,782
Disposals	-	-	-	-	-	-	-
Balance at March 31, 2024	1,153,513	1,137,877	-	288,419	95,331	1,349,166	4,024,306
NET BOOK VALUE							
At December 31, 2023	382,002	5,142,442	315,000	668,417	82,764	524,970	7,115,595
At March 31, 2024	**318,749**	**5,073,335**	**315,000**	**652,902**	**77,060**	**553,296**	**6,990,342**

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets for the Company are summarized as follows:

Three month period ended March 31, 2024:

Project	January 1, 2024	Additions	Disposals	Impairment	March 31, 2024
Bralorne Gold Camp					
Bralorne Gold Project	1,469,234	$ -	$ -	$ -	**$ 1,469,234**
Royalle Property	243,000	-	-	-	**243,000**
NaiKun Wind Crown Grant	36,000	-	-	-	**36,000**
Congress Property	295,000	-	-	-	**295,000**
Big Sheep Property	120,000	-	-	-	**120,000**
Southern BC Properties	-				
Spences Bridge	5,701,823	-	-	-	**5,701,823**
Golden Hornet Property	67,550	65,500	-	-	**133,050**
Ladner Gold Project	11,750,247	-	-	-	**11,750,247**
	$ 19,682,854	$ 65,500	$ -	$ -	**$ 19,748,354**

During the three month period ended March 31, 2024, the Company issued 50,000 shares with a value of $15,500 and made cash payments of $50,000 for property acquisitions on the Golden Hornet property.

On June 12, 2023 the Company entered into a royalty agreement with Sprott Resource Streaming and Royalty Corp. ("Sprott") in relation to the Company's Bralorne Gold Project whereby Sprott will pay the Company up to US$31,250,000 for a net smelter returns royalty (the "Royalty") covering all minerals produced from the Project (the "Royalty Transaction"). The Royalty Transaction includes:

- A maximum of US$31,250,000, with a minimum consideration of US$18,750,000, payable as to:
    - an initial grant of a 1.12% Royalty for a draw of US$7,000,000 (received) for drilling, detailed engineering and working capital;
    - a further 1.88% Royalty for a subsequent draw of US$11,750,000 on, among other things, the signing of a toll milling agreement for mobilization, site infrastructure, resource conversion drilling and working capital; and
    - up to a further 2% Royalty, to a maximum of a 5% Royalty, for US$12,500,000 available as needed for site infrastructure, mine start-up capital and working capital;
- An option, exercisable solely at the discretion of the Company until December 31, 2028, to repurchase 50% of the Royalty (as more particularly described below);
- The residual Royalty will be reduced by an additional 50% for no additional consideration following 1.5 million ounces of gold production;

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

Buyback

The Company will have a right, to be satisfied in cash or in shares (subject to a 4.9% ownership limit, calculated at the time of the buyback), at the Company's sole discretion (and subject to prior approval of the Toronto Stock Exchange (the "TSX")), to repurchase a 50% interest of the Royalty for a price that is equal to half of the then-paid Purchase Price multiplied by the multiplier, as follows:

On of before	Multiplier	Based on Minimum 3% Royalty	Based on Maximum 5% Royalty
December 31, 2024	1.20	US$11,250,000	US$18,750,000
December 31, 2025	1.25	US$11,718,750	US$19,531,250
December 31, 2026	1.30	US$12,187,500	US$20,312,500
December 31, 2027	1.35	US$12,656,250	US$21,093,750
December 31, 2028	1.40	US$13,125,000	US$21,875,000

Production Target & Purchase Price Repayment

There is an amount payable under the Royalty agreement by the Company if aggregate sales of contained gold in product is not equal to or greater than 38,000 ounces for the period commencing on July 1, 2026 and ending on December 31, 2026 (inclusive). The Purchase price repayment is calculated as follows:

APP x (T-P)/T) x (1+r)^Q), where:
APP = Aggregate Purchase Price or dollar amount received under the facility.
T = the Target Amount;
P = the aggregate Sales of contained gold in Product during the Sales Testing Period;
r = the Quarterly interest rate of 2.5%; and
Q = the number of Quarter ends that have occurred from the First Closing Date up to (15), and including the last day of the Quarter in which the Sales Testing Period expires.

Participation Right

The Company has granted a five year pre-emptive right (subject to rights previously granted to Osisko Gold Royalties Ltd.) to participate up to a maximum of 40%, or US$40,000,000, in any proposed grant, sale or issuance to any third party of a stream, royalty or similar transaction based on future production from the Project.

As of June 23, 2023, the Company completed the initial draw of US$7,000,000 and has received proceeds in the amount of $9,239,300 (US$7,000,000) less $652,594 in transaction fees which was recorded as a reduction in exploration and evaluation assets for the year ended December 31, 2023.

(Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at,		March 31, 2024		December 31, 2023
Accounts payable	**$**	**5,414,312**	$	4,181,410
Accrued liabilities		**1,251,130**		3,013,347
	$	**6,665,442**	$	7,194,757

9. LEASES PAYABLE

The Company has entered into equipment leases expiring between 2024 and 2026, with interest rates ranging from 4.95% to 9.49% per annum. The Company has the option to purchase the equipment at the end of the lease term for a nominal amount. The Company's obligations under leases are secured by the lessor's title to the leased assets.

The contractual maturities and interest charges in respect of the Company's finance lease obligations are as follows:

		March 31, 2024		December 31, 2023
Not later than one year	**$**	**134,185**	$	130,222
Later than one year and not later than five years		**244,097**		186,724
Less: Future interest charges		**(35,018)**		(28,665)
Present value of lease payments		**343,264**		288,281
Less: current portion		**(110,153)**		(111,176)
Non-current portion	**$**	**233,111**	$	177,105

Reconciliation of debt arising from lease liabilities:

		March 31, 2024		December 31, 2023
Lease liability at beginning of year	**$**	**288,281**	$	288,162
Additions		**101,073**		304,913
Principal payments on lease liabilities		**(46,090)**		(304,794)
	$	**343,264**	$	288,281

10. PROVISION FOR SITE RECLAMATION AND CLOSURE

Provincial laws and regulations concerning environmental protection affect the Company's operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

The breakdown of the provision for site reclamation and closure is as per below:

	March 31, 2024			December 31, 2023		
	Bralorne	**New Carolin**	**Total**	Bralorne	New Carolin	Total
Balance, beginning of period/year	**11,414,435**	**7,207,096**	**18,621,531**	11,697,368	7,279,671	18,977,039
Change in estimate	**-**	**-**	**-**	(667,943)	(312,453)	(980,396)
Accretion	**85,943**	**54,264**	**140,207**	385,010	239,878	624,888
Balance, end of period/year	**11,500,378**	**7,261,360**	**18,761,738**	11,414,435	7,207,096	18,621,531

(Expressed in Canadian dollars)

10. PROVISION FOR SITE RECLAMATION AND CLOSURE (continued)

The present value of the obligation for Bralorne of $11,500,378 (December 31, 2023 – $11,414,435) is based on an undiscounted obligation of $44,737,704, out of which $9,471,691 is expected to be incurred in 2040 with the remaining $35,266,013 to be incurred on water treatment and quality monitoring throughout 2140. The provision was calculated using a weighted average risk-free interest rate of 3.02% (December 31, 2023 – 3.02%) and a weighted average inflation rate of 1.62% (December 31, 2023 – 1.62%). Reclamation activities are estimated to begin in 2040 and are expected to be incurred over a period of 100 years.

The present value of the obligation for Ladner Lake of $7,261,360 (December 31, 2023 – $7,207,096) is based on an undiscounted obligation of $12,969,608. The provision was calculated using a weighted average risk-free interest rate of 3.02% (December 31, 2023 – 3.02%) and a weighted average inflation rate of 1.62% (December 31, 2023 – 1.62%). Reclamation activities are estimated to begin in 2024 and are expected to be incurred over a period of 100 years

Reclamation Deposits

The Company is required to make reclamation deposits in respect of its expected site reclamation and closure obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

	March 31, 2024				December 31, 2023			
	Talisker	**Bralorne**	**New Carolin**	**Total**	Talisker	Bralorne	New Carolin	Total
Balance, beginning of period/year	**58,300**	**1,190,000**	**220,000**	**1,468,300**	58,300	1,190,000	220,000	1,468,300
Additions	**-**	**-**	**-**	**-**	-	-	-	-
Disposals	**-**	**-**	**-**	**-**	-	-	-	-
Balance, end of period/year	**58,300**	**1,190,000**	**220,000**	**1,468,300**	58,300	1,190,000	220,000	1,468,300

Under the Ministry of Energy, Mines and Petroleum Resources ("MEM"), the Company is required to hold reclamation bonds that cover the estimated future cost to reclaim the ground disturbed. Bralorne is required to pay $250,000 every six months until a cumulative security equal to $12,300,000. At March 31, 2024, the surety amounted to $3,650,000 and the Company has placed $1,190,000 in cash (December 31, 2023 - $1,190,000), totalling $4,840,000 to cover estimated future costs related to the ground disturbance at the Company's Bralorne Gold Project. As at March 31, 2024 the Company is current with all its obligations with the MEM.

In connection with the Ladner Gold Project, under New Carolin, the Company has a total of $220,000 placed with the Province of British Columbia in environmental and mining bonds.

(Expressed in Canadian dollars)

11. ISSUED CAPITAL

Authorized Unlimited common shares without par value

		March 31, 2024		December 31, 2023
Issued capital	**$**	**101,379,657**	$	101,364,157
Fully paid common shares (1)		**89,198,377**		89,148,377

(1) As at March 31, 2024 and December 31, 2023, there are 50,000 shares awaiting issuance, the proceeds for which were received in 2008 and are included in share capital.

Common Shares Issued

	Number of Shares		**Value of Shares**
Balance as at December 31, 2022	76,815,882	$	98,154,998
Issue of shares pursuant to private placement, net of issue costs	10,974,911		3,031,528
Flow through premium liability	-		(318,000)
Exercise of RSUs	798,683		321,131
Issue of shares for acquisition of mineral properties (Note 7)	60,000		34,500
Issued pursuant to agreement	498,901		140,000
Balance as at December 31, 2023	89,148,377	$	101,364,157
Issue of shares for acquisition of mineral properties (Note 7)	50,000		15,500
Balance as at March 31, 2024	89,198,377	$	101,379,657

The shares outstanding presented have been adjusted to reflect the effect of the 5:1 share consolidation that took place on September 1, 2023. Common shares, options, RSUs, warrants and per share amounts have been adjusted for the 5:1 share consolidation unless otherwise noted.

Diluted Weighted Average Number of Shares Outstanding

	March 31, 2024	March 31, 2023
Basic weighted average shares outstanding:	**89,184,640**	76,923,030
Effect of outstanding securities	**-**	-
Diluted weighted average shares outstanding	**89,184,640**	76,923,030

During the three month periods ended March 31, 2024 and 2023, the Company had a net loss, as such, the diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share.

(Expressed in Canadian dollars)

12. FLOW-THROUGH PREMIUM LIABILITY

For the purposes of calculating the tax effect of any premium related to the issuances of the flow-through shares, the Company reviewed the share price of the Company's common shares and compared it to determine if there was a premium paid on the shares.

Three months ended March 31, 2024

During the three month period ended March 31, 2024, the Company recognized an amount of $318,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency which occurred during the three month period ended March 31, 2024.

Three months ended March 31, 2023

During the three month period ended March 31, 2023, the Company recognized an amount of $1,951,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency which occurred during the three month period ended March 31, 2023.

13. WARRANTS RESERVE

The following is a summary of changes in warrants:

	Number of Warrants	Weighted average exercise price per warrant	Amount
Balance, December 31, 2022	5,679,600	$ 1.20	$ 5,957,200
Issuance of warrants	5,487,453	0.50	359,000
Issuance of finders warrants	337,680	0.33	32,000
Balance, December 31, 2023 and March 31, 2024	11,504,733	$ 0.84	$ 6,348,200

As at March 31, 2024, the Company had outstanding warrants as follows:

Expiry Date	Exercise Price	Outstanding and exercisable
November 6, 2025	$0.50	5,487,453
November 6, 2025 – finders warrants	$0.33	337,680
February 11, 2025	$1.20	5,679,600
Balance, March 31, 2024		**11,504,733**

(Expressed in Canadian dollars)

14. SHARE-BASED PAYMENT RESERVE

Stock Option Plan

The Board of Directors of the Company adopted a stock option plan (the "Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of five years. The exercise price of the options granted under the Plan is set at the last closing price of the Company's common shares before the date of grant or in accordance with regulatory requirements.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following options were outstanding as at March 31, 2024:

Number of options outstanding	Number of exercisable options	Grant date	Expiry date	Exercise price	Fair value vested
90,000	90,000	June 18, 2019	June 18, 2024	$ 1.00	44,000
80,000	80,000	December 27, 2019	December 27, 2024	$ 1.475	88,000
1,250,000	1,250,000	December 18, 2023	December 18, 2028	$ 0.360	347,000
1,420,000	1,420,000				479,000

The options outstanding presented have been adjusted to reflect the effect of the 5:1 share consolidation that took place on September 1, 2023.

The share options outstanding as at March 31, 2024 had a weighted exercise price of $0.46 (December 31, 2023: $0.58) and a weighted average remaining contractual life of 4.21 years (December 31, 2023: 3.89 years).

(Expressed in Canadian dollars)

14. SHARE-BASED PAYMENT RESERVE (continued)

Movements in Share Options During the Period

The following reconciles the share options outstanding for the three month period ended March 31, 2024 and year ended December 31, 2023:

	Number of options		Weighted average exercise price
Balance as at December 31, 2022	3,597,000	$	1.48
Granted	1,250,000	$	0.360
Expired/Cancelled	(3,119,000)	$	1.53
Balance as at December 31, 2023	1,728,000	$	0.58
Expired/Cancelled	(308,000)	$	1.13
Balance as at March 31, 2024	1,420,000	$	0.46

Restricted Share Units

The Restricted Share Unit Plan (RSU Plan) provides for the grant of restricted share units (each, an "**RSU**") convertible into a maximum number of common shares equal to ten percent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed ten percent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common Share or payment in cash for the equivalent thereof based on the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals.

Any such performance incentives or long term performance goals are subject to determination by the Board and specified in the award agreement.

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the liability.

(Expressed in Canadian dollars)

14. SHARE-BASED PAYMENT RESERVE (continued)

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSU's
Balance, December 31, 2022	234,000
Granted	808,674
Exercised	(999,339)
Balance, December 31, 2023 and March 31, 2024	43,335

The RSU's outstanding presented have been adjusted to reflect the effect of the 5:1 share consolidation that took place on September 1, 2023.

RSU liability:

As at March 31, 2024 a liability of $13,275 (December 31, 2023 - $9,847) has been recorded for RSUs.

Share-based payment reserve:

The following table summarizes information about share-based payment reserve:

Balance as at December 31, 2022	$	3,723,245
Share-based expense - options		359,395
Expiry/cancellation of stock options		(3,387,640)
Balance as at December 31, 2023	$	695,000
Expiry/cancellation of stock options		(216,000)
Balance as at March 31, 2024	$	479,000

(Expressed in Canadian dollars)

15. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at March 31, 2024 and December 31, 2023 were as follows:

	Fair value through profit of loss	Amortized cost	Other financial liabilities	Total
As at March 31, 2024				
Cash and cash equivalents	$ -	$ 2,998,569	$ -	$ 2,998,569
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	6,665,442	6,665,442
RSU liability	13,275	-	-	13,275
Leases payable	-	-	343,264	343,264
As at December 31, 2023				
Cash and cash equivalents	$ -	$ 8,461,525	$ -	$ 8,461,525
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	7,194,757	7,194,757
RSU liability	9,847	-	-	9,847
Leases payable	-	-	288,281	288,281

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly;
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

The carrying value of cash and cash equivalents, reclamation deposits, accounts payable and accrued liabilities and leases payables approximate fair value because of the limited terms of these instruments.

(Expressed in Canadian dollars)

16. RELATED PARTY DISCLOSURES

The following is a summary of the Company's related party transactions during the three month periods ended March 31, 2024 and 2023:

The Company charged rent and other costs in the amount of $nil for the three month period ended March 31, 2024 (2023 - $15,000) paid by Millennial Precious Metals Corp., a company with certain common directors and officers.

The Company charged rent in the amount of $20,250 for the three month period ended March 31, 2024 (2023 - $nil) paid by JHI Associates Inc., a company with certain common officers.

The Company incurred operations costs in the amount of $nil for the three month period ended March 31, 2024 (2023 - $105,861) paid to JDS Energy & Mining Inc., a company with certain common former directors.

Compensation of Key Management Personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the three month periods ended March 31, 2024 and 2023 were as follows:

	March 31, 2024	March 31, 2023
Short term employee benefits, director fees	**$ 551,153**	$ 430,638
Share based payments	**3,428**	21,076
	$ 554,581	$ 451,714

As at March 31, 2024, an amount of $130,491 (December 31, 2023 - $131,485) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

17. COMMITMENTS AND CONTINGENCIES

Flow-Through Shares

As at March 31, 2024, the Company was committed to spending approximately $nil to be spent by December 31, 2024 in connection with its flow-through offerings (December 31, 2023 - $1,955,000).

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.