METALLIS RESOURCES INC.

Condensed Interim Consolidated Financial Statements

March 31, 2024

(Expressed in Canadian Dollars)

METALLIS RESOURCES INC.

Index to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTICE OF NO AUDITOR REVIEW

The accompanying condensed interim consolidated financial statements of Metallis Resources Inc. (the "Company") are the responsibility of management and have not been reviewed by the Company's auditors.

These condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Company has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the condensed interim consolidated financial statements and (ii) the condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

METALLIS RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited- prepared by management)

(Expressed in Canadian Dollars)

	March 31, 2024 *(unaudited)*	December 31, 2023 *(audited)*
ASSETS		
Current assets		
Cash and cash equivalents	**$ 62,280**	$ 35,817
Receivables *(Note 4)*	**6,979**	5,840
Deposits and prepaid expenses *(Note 5)*	**7,459**	6,040
Due from related party *(Note 11)*	**-**	3,928
Total current assets	**76,718**	51,625
Equipment (*Note 6*)	**2,161**	2,371
Right-of-use assets *(Note 6)*	**22,189**	26,628
Net investment in sublease *(Note 8)*	**24,528**	28,946
Total assets	**$ 125,596**	$ 109,570
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 8)*	**$ 56,714**	$ 48,360
Loan payable *(Note 9)*	**101,475**	-
Lease liability *(Note 8)*	**38,682**	37,396
Due to related parties *(Note 11)*	**138,075**	89,250
Total current liabilities	**334,946**	175,006
Lease liability *(Note 8)*	**10,376**	20,497
Total liabilities	**345,322**	195,503
EQUITY(DEFICIENCY)		
Share capital *(Note 10)*	**23,533,854**	23,533,854
Share subscriptions *(Note 10)*	**80,145**	-
Equity reserves	**4,482,181**	4,427,305
Accumulated deficit	**(28,315,906)**	(28,047,092)
Total deficiency	**(219,726)**	(85,933)
Total liabilities and equity(deficiency)	**$ 125,596**	$ 109,570

Nature and Continuance of Operations and Going Concern *(Note 1)*
Events after the reporting period *(Note 16)*

Approved and authorized on behalf of the Board on May 30, 2024

"Fiore Aliperti" Director "*Michael Sikich"* Director

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

METALLIS RESOURCES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three month periods ended March 31, 2024 and 2023

(Unaudited- prepared by management)

(Expressed in Canadian Dollars)

	Three months ended:	
	March 31, 2024	March 31, 2023 (revised- Note 3)
Operating Expenses:		
Communications	**$ 679**	$ 1,555
Consulting fees *(Note 11)*	**71,250**	83,250
Depreciation *(Note 6)*	**4,649**	4,841
Exploration and evaluation expenses *(Note 7)*	**149,456**	45,838
Investor relations	**-**	9,000
Office and general	**9,834**	15,589
Professional fees	**6,769**	3,800
Regulatory and transfer agent fees	**19,393**	8,774
Rent	**4,378**	4,486
Share-based compensation *(Note 10)*	**-**	5,120
Travel	**922**	1,757
Total operating expenses	**(267,330)**	(184,010)
Interest income	**636**	5,192
Finance income on sublease	**645**	1,064
Interest on loan	**(1,475)**	-
Amortization of discount	**(1,290)**	(2,127)
Loss and comprehensive loss for the period	**$ (268,814)**	$ (179,881)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.00)
Weighted average number of common shares outstanding- Basic and Diluted	**60,544,312**	60,544,312

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

METALLIS RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity(Deficiency)

(Unaudited- prepared by management)

(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	*Amount*	*Equity Reserves*	*Share Subscriptions*	*Deficit*	*Total*
Balance at December 31, 2022 *(Revised- Note 3)*	**60,544,312**	**$ 23,533,854**	**$ 4,418,616**	**$ -**	**$ (27,386,261)**	**$ 566,209**
Share-based compensation	-	-	5,120	-	-	5,120
Loss for the period	-	-	-	-	**(179,881)**	**(179,881)**
Balance at March 31, 2023 *(Revised- Note 3)*	**60,544,312**	**23,533,854**	**4,423,736**	**-**	**(27,566,142)**	**391,448**
Share-based compensation	-	-	3,569	-	-	3,569
Loss for the period	-	-	-	-	(480,950)	(480,950)
Balance at December 31, 2023	**60,544,312**	**$ 23,533,854**	**$ 4,427,305**	**$ -**	**$ (28,047,092)**	**$ (85,933)**
Share subscriptions	**-**	**-**	**-**	**80,145**	**-**	**80,145**
Warrants issued for property	**-**	**-**	**54,876**	**-**	**-**	**54,876**
Loss for the period	**-**	**-**	**-**	**-**	**(268,814)**	**(268,814)**
Balance at March 31, 2024	**60,544,312**	**$ 23,533,854**	**$ 4,482,181**	**$ 80,145**	**$ (28,315,906)**	**$ (219,726)**

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

METALLIS RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March, 2024 and 2023

(Unaudited- prepared by management)

(Expressed in Canadian Dollars)

	Three months ended March 31, 2024	***Three months ended March 31, 2023***
		(Revised- Note 3)
Cash flows provided by (used in) operating activities		
Loss for the year	**$ (268,814)**	$ (179,881)
Items not affecting operating cash:		
Amortization of discount	**1,290**	2,127
Depreciation	**4,649**	4,841
Interest income	**(636)**	(5,192)
Finance income	**(645)**	(1,064)
Fair value of warrants for property	**54,876**	-
Share-based compensation	**-**	5,120
Changes in non-cash working capital items:		
Receivables	**(1,139)**	18,140
Deposits and prepaid expenses	**(1,419)**	6,274
Accounts payable and accrued liabilities	**9,829**	(123,341)
Due from related party	**3,928**	(10,479)
Due to related parties	**48,825**	-
Net cash used in operating activities	**(149,256)**	(283,455)
Cash flows provided by investing activities		
Interest received	**636**	5,192
Proceeds from investment in sublease	**5,063**	5,062
Net cash provided by investing activities	**5,699**	10,254
Cash flows provided by (used in) financing activities		
Proceeds from loan	**100,000**	-
Proceeds from share subscriptions	**80,145**	-
Lease payments	**(10,125)**	(10,125)
Net cash provided by (used in) financing activities	**170,020**	(10,125)
Increase (Decrease) in cash and cash equivalents during the period	**26,463**	(283,326)
Cash and cash equivalents, beginning of period	**35,817**	578,522
Cash and cash equivalents, end of period	**$ 62,280**	$ 295,196

Supplemental Disclosure with Respect to Cash Flows *(Note 12)*

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

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Metallis Resources Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 19, 2007. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "MTS" and on the OTCQB Venture Market under the symbol "MTLFF". The Company's registered and head office is located at Suite #604 - 850 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1E1, and its website is at www.metallisresources.com.

The Company is engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenues and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

The Company operates in a single jurisdiction in the single business activity of exploration and evaluation of mineral properties. These condensed interim consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

Going Concern of Operations

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

The Company incurred a loss of $268,814 during the period ended March 31, 2024 and as of that date the Company's total deficit was $28,315,906. The ability of the Company to continue as a going concern depends upon i) its ability to raise adequate financing on reasonable terms from lenders, shareholders and other investors and ii) its ability to develop a mine and/or commence commercially profitable operations. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has primarily raised private placement funds from equity investors to provide for its exploration and working capital needs, but may consider convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures. The most recent private placement was completed subsequent to March 31, 2024, raising $514,195 through a common share issuance at $0.065 per share of which $80,145 was received on or before March 31, 2024. To the extent future financing is not available, future working capital commitments beyond 2024 may not be satisfied and future exploration programs may face curtailment and could result in a loss of property ownership or earning opportunities for the Company. In addition, should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position.

2. MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

Basis of presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are recorded at fair value, and have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim consolidated financial statements should be read in conjunction with the Company's annual financial statements and notes thereto for the year ended December 31, 2023. These condensed interim consolidated financial statements do not include all disclosures required in annual financial statements but rather they follow recommendations for condensed interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as those followed in the December 31, 2023 annual financial statements.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and any subsidiaries that it controls, from the date control of a subsidiary begins up to the date control ceases. If control is less than 100%, the minority interest attributable to non-controlling interests is recognized as a non-controlling interest in the financial statements. The Company has a wholly-owned US subsidiary which it incorporated in February 2024. Transactions between the parent and subsidiary were eliminated on consolidation.

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar and the condensed interim consolidated financial statements are presented in Canadian dollars. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates. The functional currency of the Company's US subsidiary is the US dollar.

Transactions in foreign currencies are initially recorded in the Company's functional currency using the exchange rate at the time of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated using the exchange rate at the end of each reporting period. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

Exploration and evaluation expenditures

All costs related to the acquisition, exploration and evaluation of mineral properties are charged to profit or loss as incurred. This includes staged option payments, made pursuant to an agreement to acquire an interest in a property. Any warrants issued as compensation for acquiring exploration and evaluation assets are valued following the Black Scholes pricing model, with the amount recognized in exploration and evaluation expenditures.

The Company may, but to date has not, occasionally enter into arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is recorded as recoveries at the time of receipt and credited against expenditures incurred.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, and the Company has decided to proceed with development, all subsequent payments are capitalized as Mines under Development, whether the cost is an acquisition related option payment, an exploration cost or a development charge. Each period end thereafter, the Company will assess these assets for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. If a project is deemed to no longer have commercially viable prospects to the Company, the capitalized costs in respect of that project are deemed to be impaired. As a result, those costs, in excess of estimated recoveries, are written off to profit or loss.

Use of significant judgements and estimates

In preparing these condensed interim consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

a) The Company may hold direct or indirect interests in exploration and evaluation assets. The Company takes steps to verify title to exploration and evaluation assets in which it has an interest, but these procedures do not guarantee the Company’s title. Properties may be subject to prior agreements or transfers and title may be affected by undetected defects;

2. MATERIAL ACCOUNTING POLICIES (continued)

Use of significant judgements and estimates (continued)

b) The Company uses the Black-Scholes valuation model to determine the fair value of stock option grants and certain warrants issued under private placements or as a component of compensation related to the acquisition of mineral property interests. The inputs used in the model require estimates of the fair value of the options or warrants, their expected life, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. These estimates impact share-based compensation expense and/or exploration and evaluation expenditures in the profit or loss and share capital and shareholder's equity on statements of financial position;

c) The values of right-of-use assets and lease liabilities require judgements to determine the lease term, the likelihood of an extension option being exercised and the incremental borrowing rate. Such judgements, estimates and assumptions affect the present value of the lease liabilities, the value of the right-of-use assets, the value of the net investment in sublease and the amounts recognized in profit or loss, including depreciation, rent expense, finance expense and finance income;

d) Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;

e) The Company raises financing by issuing equity comprised of flow-through shares and/or non-flow-through shares. When flow-through shares are issued, a flow-through premium liability is recognized and that recognition requires estimations of the fair value of the non-flow-though and flow-through shares; and

f) The assumption that the Company is a going concern and will continue operating for the foreseeable future, being one year, is a judgment.

New accounting standards

The following amendment is in effect for annual reporting periods beginning on or after January 1, 2024:

Presentation of financial statements:

An amendment to IAS 1 Presentation of Financial Statements was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2024. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least twelve months after the reporting period.

This amendment did not have a material impact on the Company's condensed interim consolidated financial statements.

(Expressed in Canadian Dollars, unless otherwise noted)

3. CHANGE IN ACCOUNTING POLICY

During the year ended December 31, 2023, the Company changed its accounting policy from capitalizing exploration and evaluation costs to expensing these costs in the period incurred. The cost of acquiring interests in mineral properties is expensed as incurred, until such time as commercial feasibility has been established and the Company has decided to proceed with development. After that time, all subsequent development expenses and remaining acquisition payments are capitalized as Mines under development.

The Company believes this policy change provides more relevant information to the users of the financial statements, particularly as such exploration expenses are now considered operating expenses, offering the reader a profit and loss statement that encompasses all of the Company's operations. Estimating the fair value of previously capitalized mineral property interests in the absence of a ready market requires judgements and estimates that themselves have error bias.

The policy change has been applied on a retrospective basis with the comparative figures for the three months ended March 31, 2023 adjusted as follows:

Three months ended March 31, 2023:	Previously Reported	Adjustment	Revised Balance
Net loss			
Exploration and evaluation expenditures	$ -	$ 45,838	$ 45,838
Net and comprehensive loss for the period	134,043	45,838	179,881
Statements of cash flows			
Cash used in operating activities	(107,339)	(176,116)	(283,455)
Cash provided by (used in) investing activities	(165,862)	176,116	10,254

4. RECEIVABLES

	March 31, 2024	December 31, 2023
GST/ HST recoverable taxes	**$ 6,979**	$ 5,840
Total receivables	**$ 6,979**	$ 5,840

(Expressed in Canadian Dollars, unless otherwise noted)

5. DEPOSITS AND PREPAID EXPENSES

The deposits and prepaid expenses of the Company consist of the following:

	March 31, 2024	December 31, 2023
Rental deposit	**$ 6,040**	$ 6,040
Prepaid storage	**1,419**	-
	$ **7,459**	$ 6,040

6. EQUIPMENT AND RIGHT-OF-USE ASSETS

Equipment:

	Furniture & fixtures	*Computers and software*	*Total*
Cost:			
Balance, December 31, 2022	3,692	23,869	27,561
Additions	-	-	-
Balance, December 31, 2023 and March 31, 2024	**$ 3,692**	**$ 23,869**	**$ 27,561**
Accumulated depreciation:			
Balance, December 31, 2022	2,036	21,546	23,582
Additions	332	1,276	1,608
Balance, December 31, 2023	2,368	22,822	25,190
Additions	66	144	210
Balance, March 31, 2024	**$ 2,434**	**$ 22,966**	**$ 25,400**
Net Book Value:			
March 31, 2024	**$ 1,258**	**$ 903**	**$ 2,161**
December 31, 2023	$ 1,324	$ 1,047	$ 2,371

(Expressed in Canadian Dollars, unless otherwise noted)

6. EQUIPMENT AND RIGHT-OF-USE ASSETS

Right-of-Use assets:

Cost:	
Balance, December 31, 2022 and 2023 and March 31, 2024	**$ 53,262**
Accumulated depreciation:	
Balance, December 31, 2022	$ 8,878
Additions	17,756
Balance, December 31, 2023	26,634
Additions	4,439
Balance, March 31, 2024	**$ 31,073**
Net Book Value:	
March 31, 2024	**$ 22,189**
December 31, 2023	$ 26,628

7. EXPLORATION AND EVALUATION EXPENSES

Kirkham Property – Golden Triangle, Skeena Mining Division, British Columbia, Canada

The Kirkham Property (the "Property") is comprised of certain mineral claims situated in the "Golden Triangle" region of north-western British Columbia, Canada. The Property was assembled by the Company through a series of transactions between 2013 and 2015 including staking, re-staking and acquisitions from third parties. A portion of the mineral claims are subject to third-party Net Smelter Return ("NSR") royalties of 2%. The Company is entitled to purchase each 1% increment of the NSR royalty for $500,000.

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 history characteristic of many mineral properties. To the best of its knowledge, the Company's title to all of its mineral claims and properties are in good standing.

(Expressed in Canadian Dollars, unless otherwise noted)

7. EXPLORATION AND EVALUATION EXPENSES (continued)

Greyhound Property - Custer County, Idaho, USA

On February 27, 2024, the Company entered into an option agreement (the "Agreement") to acquire a 100% interest in the 124 hectare Greyhound Property, a group of 12 patented claims and three patented millsites in central Idaho, including the past producing Greyhound and Bulldog high-grade silver/gold mines. Regulatory approval for the Agreement was received on March 19, 2024.

The Agreement requires staged payments of US$670,000 beginning on February 6, 2024 (the "Effective Date"), and exploration expenditures of US$10 million over a ten-year period. At any time during the option period, the Company may exercise the option to acquire a 100% interest in the Property by paying US$7.5 million, plus the balance remaining of the US$670,000 at the time of exercise. If the option is exercised, there is no further requirement to incur exploration in the event that less than US$10 million has been incurred at the time of exercise. In addition, the Company issued a share purchase warrant to the Optionor for the purchase of up to 1,000,000 common shares of Metallis at a price of CAD $0.34 per share for a three-year period. The following table specifies the above noted obligations:

Date	Option payment (US)	Minimum exploration expenditures (US)
On the Effective Date	$20,000 (paid)	-
1st anniversary	$35,000	-
2nd anniversary	$55,000	$90,000
3rd anniversary	$75,000	$200,000
4th anniversary	$85,000	$400,000
5th anniversary	$100,000	$900,000
6th anniversary	$60,000	$1,610,000
7th anniversary	$70,000	$1,700,000
8th anniversary	$80,000	$1,700,000
9th anniversary	$90,000	$1,700,000
10th anniversary	-	$1,700,000
Total	**$670,000**	**$10,000,000**

(Expressed in Canadian Dollars, unless otherwise noted)

7. EXPLORATION AND EVALUATION EXPENSES (continued)

Greyhound Property - Custer County, Idaho, USA (continued)

The Optionor retains a 2% Net Smelter Returns Royalty, which may be reduced to 1% by the payment of US$5 million during the term of the Agreement.

Subsequent to the signing of the Agreement, the Company staked an additional 81 mining claims surrounding Greyhound, for a total property size of 677 ha. The following table provides the exploration and evaluation expenditures incurred by the Company during the period ended March 31, 2024, which were all recognized as acquisition costs:

Greyhound acquisition costs:	
Option payment (US$20,000)	$ 27,100
Staking fees	31,695
Helicopter	15,370
Fair value of 1mm warrants issued to vendor	54,876
	$ 129,041

The following schedule summarizes all of the Company's exploration and evaluation costs incurred during the period ended March 31, 2024:

	Three months ended March 31,			
	2024			2023
	Kirkham	Greyhound	**Total**	Total- Kirkham *(*revised- Note 3)*
Acquisition costs	$ -	$ 129,041	**$ 129,041**	$ -
Assays and lab analysis	-	-	**-**	2,275
Geological and geophysical	15,062	-	**15,062**	39,131
Licenses, claim fees and permits	5,353	-	**5,353**	4,432
	$ 20,415	$ 129,041	**$ 149,456**	$ 45,838

(Expressed in Canadian Dollars, unless otherwise noted)

7. EXPLORATION AND EVALUATION EXPENSES (continued)

The following table provides the cumulative exploration and evaluation expenditures incurred at Kirkham:

Kirkham Property:	Balance, December 31, 2022	Additions	Balance, December 31, 2023	Additions	Balance, March 31, 2024
Accommodations and camp	$ 2,163,189	$ -	$ 2,163,189	$ -	$ 2,163,189
Acquisition costs	495,801	-	495,801	-	495,801
Assays and lab analysis	540,704	2,275	542,979	-	542,979
Community relations	202,372	-	202,372	-	202,372
Drilling	4,938,516	-	4,938,516	-	4,938,516
Field expenses and core shack	110,397	-	110,397	-	110,397
Geological and geophysical	2,786,711	105,854	2,892,565	15,062	2,907,627
Helicopters and aircraft support	4,144,671	-	4,144,671	-	4,144,671
Licenses, claim fees and permits	217,087	44,041	261,128	5,353	266,481
Recovery of expenses	(1,334,654)	(29,052)	(1,363,706)	-	(1,363,706)
Write-downs	(83,867)	-	(83,867)	-	(83,867)
	$ 14,180,927	$ 123,118	$14,304,045	$ 20,415	$14,324,460

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY

Accounts payable and accrued liabilities for the Company are comprised as follows:

	March 31, 2024	December 31, 2023
Accounts payable	**$ 26,714**	$ 18,360
Accrued liabilities	**30,000**	30,000
	$ 56,714	$ 48,360

Lease liability:

The Company entered into a three-year premises lease on July 1, 2022 following the maturity on June 30, 2022 of its prior 3-year lease agreement. The office location did not change. The monthly fixed lease costs remain the same as the prior lease for the first two years at $3,375 per month, rising to $3,488 per month for the third year. The fair value estimate of the new lease and initial lease liability was $106,524 using an incremental borrowing rate of 10%.

(Expressed in Canadian Dollars, unless otherwise noted)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

Lease liability: (continued)

The following schedule shows recent changes in lease liabilities:

Lease liability:	**Lease: 7/1/22 – 6/30/25**
Balance, December 31, 2022	$ 91,114
Lease payments	(40,500)
Accretion of lease liability discount	7,279
Balance, December 31, 2023	57,893
Lease payments	(10,125)
Accretion of lease liability discount	1,290
Balance, March 31, 2024	**$ 49,058**

Lease liability allocation:

Short-term portion of lease liability	**$ 38,682**
Long-term portion of lease liability	**10,376**
Balance, March 31, 2024	**$ 49,058**

Lease payments for next five years:
(including variable lease costs estimated by landlord)

Year ended December 31, 2024	$ 56,646
Year ended December 31, 2025	37,989
Year ended December 31, 2026	-
Year ended December 31, 2027	-
Year ended December 31, 2028	-
Total	$ 94,635

(Expressed in Canadian Dollars, unless otherwise noted)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

Net investment in sublease:

On July 1, 2022 the Company entered into a 3-year sublease agreement with related party Etruscus Resources Corp. ("ETR") for ½ of its premises at a per square foot cost equal to the head lease. ETR pays fixed lease costs of $1,688 per month for the first two years and $1,744 per month for the third year. At commencement of the sublease, the Company recognized a net investment in sublease of $53,262, and derecognized ROU assets by the same amount. The reconciliation of the Company's net investment in sublease is as follows *(Refer to Note 11)*:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of period	**$ 28,946**	$ 45,556
Finance income	**645**	3,640
Lease payments received	**(5,063)**	(20,250)
Balance, end of period	**$ 24,528**	$ 28,946

9. LOAN PAYABLE

During the current period, the Company borrowed $100,000 from a third party, bearing interest at 12% per annum and repayable at any time up to February 15, 2025. The loan is unsecured and there were no shares or warrants issued in connection with the loan.

10. SHARE CAPITAL

Authorized: Unlimited common shares, without par value
Issued: 60,544,312 common shares (December 31, 2022 - 60,544,312 common shares)

Transactions in 2024:

The Company had no share capital transactions during the period ended March 31, 2024 or during the year ended December 31, 2023. However, on March 14, 2024, the Company announced a private placement of up to $500,000 by the issuance of common shares at a price of $.065 per share. As at March 31, 2024, subscriptions of $80,145 had been received . *(Refer to Note 16).*

(Expressed in Canadian Dollars, unless otherwise noted)

10. SHARE CAPITAL (continued)

Stock options:

At the Company's Annual and Special Meeting ("ASM") on November 7, 2023, the shareholders approved the Company's Amended and Restated 2023 Stock Option Plan ("SOP") under which the Board of Directors is authorized to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option shall not be less than the discounted market price as calculated and defined in the policies of the TSXV. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant. However, stock options granted to employees or consultants in respect of investor relations activities follow the vesting provisions of the TSX-V, which allow for vesting of options as to no more than 25% of the grant vesting each three months, measured from the date of grant.

No stock options were granted during the three-month period ended March 31, 2024 or the year ended December 31, 2023, and no outstanding stock options were exercised during those periods. Share-based compensation of $8,689 (2022 - $259,429) was recognized during 2023 in relation to investor relations stock options originally granted in 2022 which completed their vesting in 2023. The Company's investor relations consultant received 150,000 of the stock options which vested over a one-year period.

As at March 31, 2024, the following incentive stock options are outstanding and exercisable:

Expiry Date	Number of Options	Vested and exercisable	Exercise Price	Weighted remaining contractual life (years)
October 6, 2025	350,000	350,000	0.40	1.52
April 12, 2026	450,000	450,000	0.50	2.03
September 27, 2026	1,800,000	1,800,000	0.39	2.49
August 31, 2027	1,650,000	1,650,000	0.20	3.42
Total outstanding options	4,250,000	4,250,000		2.72

Stock option transactions are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2022	5,545,000	$ 0.50
Options expired	(1,045,000)	1.24
Options terminated	(250,000)	0.28
Balance, December 31, 2023 and March 31, 2024	4,250,000	$ 0.33

(Expressed in Canadian Dollars, unless otherwise noted)

10. SHARE CAPITAL (continued)

Restricted Share Units:

At the ASM on November 7, 2023, the shareholders also approved the Restricted Share Unit Plan under which the Board may grant restricted share units ("RSUs") to directors, officers and employees. RSUs are subject to vesting requirements of up to three years, but can be settled by issuing shares from treasury or disbursing cash. RSUs provide a means to earn compensation though an equity plan without making a stock option exercise payment. As at December 31, 2023 and March 31, 2024, no RSU's had been granted.

The total grants from the Plan and the RSU Plan together are limited to 10% of the outstanding common shares of the Company's stock as calculated on the date of grant, which was the limit under the Company's prior Stock Option Plans.

Warrants:

Warrant transactions are summarized as follows:

	Number of Warrants outstanding	Weighted average exercise price
Balance at December 31, 2022	15,640,371	$ 0.57
Warrants expired	(11,788,154)	0.65
Balance at December 31, 2023	3,852,217	0.32
Warrants issued	1,000,000	0.34
Balance at March 31, 2024	4,852,217	$ 0.33

During the current period, 1,000,000 share purchase warrants were issued to the vendor of the Greyhound Property, exercisable at $0.34 per share for three years. *Refer to Note 7.*

As at March 31, 2024, the following warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price ($)	Weighted average remaining contractual life (years)
June 10, 2025	663,750	0.30	1.19
June 10, 2025	2,640,750	0.33	1.19
June 23, 2025	462,500	0.30	1.23
June 23, 2025	85,217	0.33	1.23
February 26, 2027	1,000,000	0.34	2.91
Total	4,852,217		1.55

(Expressed in Canadian Dollars, unless otherwise noted)

11. RELATED PARTY TRANSACTIONS

The following related parties, for the years presented, include directors and key management personnel, being officers and directors of the Company, including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

a) Avanti Consulting Inc., a company controlled by the current Chief Executive Officer of the Company, provides consulting services to the Company;
b) Lever Capital Corp., a company owned by the Company's Chief Financial Officer, provides consulting services to the Company;
c) D. G. Dupre and Associates Inc., is a company that is controlled by the Vice-President of Exploration of the Company which provides the Company with geological consulting services, the amounts of which are expensed under exploration and evaluation costs;
d) DRW Geological Consultants Ltd. is a company controlled by a director of the Company and which provides occasional geological consulting services to the Company, the amounts of which are expensed under exploration and evaluation costs. No fees were charged by DRW for the periods presented; and
e) Etruscus Resources Corp. ("ETR"), a public company related through two common directors and a common officer, subleases office space from the Company, shares certain administrative expenses and also shares an exploration camp with the Company, resulting in occasional related party receivables or payables at the end of each period.

The aggregate value of fee-based transactions and outstanding balances relating to the above noted related parties are as follows:

		Transactions for the period ended March 31, 2024	Transactions for the year ended December 31, 2023	**Balance payable as at March 31, 2024**	Balance payable as at December 31, 2023
Avanti Consulting Inc.	**(a)**	**$ 36,000**	$ 144,000	**$ 63,000**	$ 40,950
Lever Capital Corp.	**(b)**	**21,000**	84,000	**33,075**	22,050
D.G. Dupre and Associates Inc.	**(c)**	**15,000**	53,750	**42,000**	26,250
Total		**$ 72,000**	$ 281,750	**$ 138,075**	$ 89,250

During the period ended March 31, 2024, the Company entered into transactions with ETR as follows:

	Due from ETR, December 31, 2023	Additions	Amounts received	**Due from ETR, March 31, 2024**
Rent	$ 3,182	$ 9,443	$ (12,625)	$ -
Office expenses, net	746	-	(746)	-
Exploration costs	-	(66)	66	-
Total	$ 3,928	$ 9,377	$ (13,305)	$ -

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing and financing transactions during the period ended March 31, 2023.

The significant non-cash investing and financing transaction during the period ended March 31, 2024 is as follows:

a) The Company issued 1,000,000 share purchase warrants exercisable at $0.065 per share for three years. The fair value under the Black Scholes model was $54,876, recognized as a property acquisition expense.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, net investment in sublease, accounts payable, lease liability and due from/to related parties. All financial instruments held by the Company are measured at amortized cost. Nevertheless, the fair values of these financial instruments approximate their carrying value due to their short-term maturities.

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values, as follows:

The three levels of the fair value hierarchy are:

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

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents, receivables, due from related parties and net investment in sublease. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables primarily consist of recoverable Canadian sales taxes, Canadian mineral exploration tax credits and accrued interest, for which management assesses the collectability of these amounts to be assured. Amounts due from related parties are normally not material and are settled in the short term and for these reasons the credit risk is considered negligible.

Interest rate risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has no long-term debt other than a lease liability and accordingly has not needed to enter into any interest rate swaps or other financial arrangements to mitigate exposure to interest rate fluctuations. The Company considers it is not subject to material risks should interest rates rise further.

(Expressed in Canadian Dollars, unless otherwise noted)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's operations do not currently generate positive cash flows, and historically the Company has relied on equity financings, and to a lesser extent non-core asset sales, for its capital requirements. As at March 31, 2024, the Company has a working capital deficiency of $258,228. Subsequent to March 31, 2024 however, the Company completed a private placement financing of $514,195 by the issuance of 7,910,691 common shares at $0.065 per share. This financing provided immediate liquidity but additional financing will be required for working capital needs through 2024 and to execute additional exploration programs.

The Company will continue to depend upon equity capital as required and may also enter into convertible debentures, earn-in arrangements, joint ventures or the sale of certain property interests. However, there can be no assurance the Company will be able to complete future financings on acceptable terms. The ability of the Company to continue this course will depend, in part, on the prevailing market conditions and the market interest in financing the Company's mineral property exploration programs.

The following are the contractual maturities of financial liabilities as at March 31, 2024:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
Accounts payable and accrued liabilities	$ 56,714	$ 56,714	$ 56,714	$ -	$ -
Lease liabilities	49,058	51,975	41,512	10,463	-
Due to related parties	138,075	138,075	138,075	-	-
Total	$ 243,847	$ 246,764	$ 236,301	$ 10,463	$ -

Foreign currency risk

While the Company's functional currency is the Canadian dollar, it also enters into US dollar transactions. Changes in exchange rates between the US and Canadian dollar will result in foreign currency gains and losses. To date, the Company has not hedged it foreign currency risk. Based on the quantity and scale of foreign transactions, the Company considers the foreign exchange risk derived from currency conversions as not material.

(Expressed in Canadian Dollars, unless otherwise noted)

14. CAPITAL MANAGEMENT

The Company endeavors to maintain appropriate levels of capital and liquidity. Sufficient liquidity is required to meet liabilities and financial obligations as they become due. The Company has no commercial operations or source of revenue, no long-term debt other than a lease liability, and no externally imposed capital requirements. The Company's capital is its issued share capital. The capital required for operations and property exploration is expected to continue to come from the issuance of common shares or units, for the foreseeable future. The Company's objectives of capital and liquidity management are to fund critical exploration work, meet on-going liabilities, maintain creditworthiness, minimize shareholder dilution and to ultimately maximize returns for shareholders over the long term.

There were no changes in the Company’s capital management objectives during the period ended March 31, 2024 or the year ended December 31, 2023.

The Company is not subject to externally imposed capital requirements.

15. SEGMENTED INFORMATION

The Company currently operates in the geographic segments of Canada and the United States. The segmented operating loss for the periods ended March 31, 2024 and 2023 is as follows:

	Canada		USA		Total	
	Three months ended		Three months ended		Three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Exploration and evaluation expenses	$ 75,291	$ 45,838	$ 74,165	$ -	$ 149,456	$ 45,838
Depreciation	4,649	4,841	-	-	4,649	4,841
Other operating costs	113,225	133,331	-	-	113,225	133,331
Loss from operations	$ 193,165	$ 184,010	$ 74,165	$ -	$ 267,330	$ 184,010

16. EVENTS AFTER THE REPORTING PERIOD

On April 17, 2024, the Company completed a non-brokered private placement financing of $514,195 consisting of 7,910,691 common shares at a price of $0.065 per share. Insiders subscribed for a total of $56,550, or 870,000 common shares. Proceeds are to be used for initial exploration at Greyhound and for working capital purposes. No finders’ fees or finders’ warrants were paid or issued. Subscriptions of $80,145 were received as at March 31, 2024.

On May 14, 2024, the Company granted 1,050,000 stock options to directors and officers and 700,000 stock options to consultants. The options are exercisable at $0.10 per share for a period of five years and vested upon grant. No stock options were granted for investor relations purposes.