



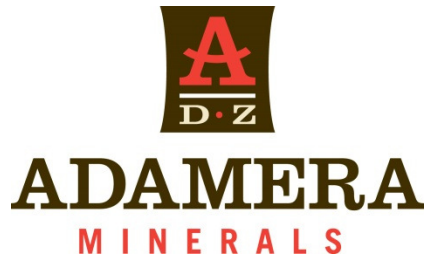
ADAMERA

MINERALS

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2023

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Consolidated Financial Statements
December 31, 2023
(Canadian Dollars)

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Adamera Minerals Corp.

Opinion

We have audited the consolidated financial statements of Adamera Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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Victoria

320 - 730 View St.
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Other Information

Management is responsible for the other information. The other information comprises the information included in Management's 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 25, 2024

ADAMERA MINERALS CORP.
Consolidated Statements of Financial Position
As at December 31
(Expressed in Canadian Dollars)

		2023		2022
Assets				
Current				
Cash		\$ 260,448	\$	699,021
Receivables		31,026		36,630
Prepays		10,694		26,531
Marketable securities	5	75,000		95,000
Current portion of finance lease receivables	9	396,156		330,644
		773,324		1,187,826
Non-current				
Equipment	6	6,825		9,345
Right-of-use asset	8	23,591		37,746
Long-term portion of finance lease receivables	9	279,889		605,036
Deposits	7	57,671		57,497
Exploration deposits	7	195,196		217,302
Mineral properties	10	7,387,376		7,237,837
		7,950,548		8,164,763
		\$ 8,723,872	\$	9,352,589
Liabilities				
Current				
Accounts payable and accrued liabilities	11	\$ 342,650	\$	114,322
Security deposits		91,180		77,590
Restoration provisions	10	-		50,000
Canada Emergency Business Account	12	40,000		40,000
Due to related parties	13	65,614		108,065
Current portion of lease liabilities	8	282,967		263,890
Flow-through share premium liability	19	-		16,075
		822,411		669,942
Non-current				
Long-term portion of lease liabilities	8	199,920		482,887
		199,920		482,887
Shareholders' equity				
Share capital	14	38,802,601		38,069,039
Share-based compensation reserve	14	2,316,462		2,160,401
Deficit		(33,417,522)		(32,029,680)
		7,701,541		8,199,760
		\$ 8,723,872	\$	9,352,589

Nature and Continuance of Operations and Going Concern (*Note 1*)

Commitment (*Note 18*)

Events After the Reporting Period (*Note 20*)

Approved and authorized by the Board April 25, 2024

On behalf of the Board:

"Mark Kolebaba"

Mark Kolebaba

"Alex Adams"

Alex Adams

See accompanying notes to the consolidated financial statements

ADAMERA MINERALS CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Three months ended September 30,		Years ended December 31,	
		2023	2022	2023	2022
Expenses					
Accounting and audit	13	\$ 60,751	\$ 63,025	\$ 148,910	\$ 135,721
Consulting fees		150	363	525	888
Depreciation	6	115	154	460	614
Depreciation of right-of-use asset	8	3,539	3,539	14,155	14,155
Foreign exchange (gain) loss		(1,889)	(3,684)	2,782	(33,340)
Interest expense on lease liabilities	8	8,796	13,360	42,130	59,920
Legal fees		476	1,544	2,457	3,391
Office and miscellaneous, net of recoveries		9,923	13,939	40,996	39,104
Property expenses, maintenance and rent		45,903	44,373	118,973	174,011
Restoration expenses	10	(494)	50,000	(494)	110,535
Share-based compensation	13, 14	111,723	243,016	130,728	251,761
Shareholder communications		3,873	43,458	51,290	94,279
Wages and benefits	13	41,883	51,247	212,757	241,206
		(284,749)	(524,334)	(765,669)	(1,092,245)
Other income (loss)					
Fair value loss on marketable securities	5	35,000	(45,000)	(20,000)	(90,000)
Finance income on sublease	9	12,314	17,153	57,347	82,551
Flow-through share premium recovery	19	-	18,028	16,075	63,925
Income (loss) from subleasing	9	24,830	(125,945)	99,729	(76,343)
Rental income		8,625	(1,943)	8,625	10,624
Write down of mineral properties	10	(783,949)	-	(783,949)	-
Loss and comprehensive loss for the year		\$ (987,929)	\$ (662,041)	\$ (1,387,842)	\$ (1,101,488)
Basic and diluted loss per share		\$ (0.004)	\$ (0.003)	\$ (0.006)	\$ (0.005)
Weighted average number of common shares outstanding		234,170,319	222,634,741	228,545,969	210,503,875

See accompanying notes to the consolidated financial statements

ADAMERA MINERALS CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		Years ended December 31,	
	Note	2023	2022
Cash provided by (used in):			
Operating activities			
Loss for the year	\$	(1,387,842)	\$ (1,101,488)
Items not affecting cash:			
Depreciation	6	460	614
Depreciation of right-of-use asset	8	14,155	14,155
Fair value loss on marketable securities	5	20,000	90,000
Finance income on sublease	9	(57,347)	(82,551)
Flow-through share premium recovery	19	(16,075)	(63,925)
Loss (income) from subleasing	9	(99,729)	76,343
Interest expense on lease liabilities	8	42,130	59,920
Restoration expenses		(494)	-
Share-based compensation	14	130,728	251,761
Write down of mineral properties	10	783,949	-
Net change in non-cash working capital			
Receivables		5,604	(16,533)
Due from optionee		-	56,065
Prepays		15,837	32,240
Accounts payable and accrued liabilities		1,882	(53,838)
Security deposits		5,195	7,655
Due to related parties		(26,471)	31,304
		(568,018)	(698,278)
Investing activities			
Exploration deposits		21,932	(88,541)
Net expenditures on mineral properties		(757,938)	(1,587,608)
Purchase of equipment		-	(2,512)
		(736,006)	(1,678,661)
Financing activities			
Repayment of lease liabilities	8	(306,020)	(306,020)
Cash received from subleasing		416,711	420,656
Shares issued for cash	14	771,500	1,204,360
Share issue costs	14	(16,740)	(8,023)
		865,451	1,310,973
Change in cash		(438,573)	(1,065,966)
Cash, beginning of the year		699,021	1,764,987
Cash, end of the year	\$	260,448	\$ 699,021

Supplemental Disclosure with Respect to Cash Flows (Note 16)

See accompanying notes to the consolidated financial statements

ADAMERA MINERALS CORP.
Consolidated Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Note	Share Capital		Share-based	Deficit	Total
		Number of shares	Amount	Compensation Reserve		
Balance, December 31, 2021		203,908,595	\$ 36,944,452	\$ 1,908,640	\$ (30,928,192)	\$ 7,924,900
Shares issued for cash						
Private placement	14(b)(i)(ii)	18,739,333	1,204,360	-	-	1,204,360
Flow-through share premium	14(b)(i)	-	(80,000)	-	-	(80,000)
Share issue costs	14(b)(ii)	-	(8,023)	-	-	(8,023)
Property acquisition	14(b)(iii)(iv)	125,000	8,250	-	-	8,250
Share-based compensation	14(c)	-	-	251,761	-	251,761
Loss and comprehensive loss for the year		-	-	-	(1,101,488)	(1,101,488)
Balance, December 31, 2022		222,772,928	38,069,039	2,160,401	(32,029,680)	8,199,760
Shares issued for cash						
Private placements	14(b)(v)(vi)(viii)	15,430,000	704,500	67,000	-	771,500
Share issue costs	14(b)(v)(vi)(viii)	-	(18,105)	-	-	(18,105)
Property acquisitions	14(b)(vii)	100,000	5,500	-	-	5,500
Transfer to share capital on expiry of warrants	14(d)	-	41,667	(41,667)	-	-
Share-based compensation	14(c)	-	-	130,728	-	130,728
Loss and comprehensive loss for the year		-	-	-	(1,387,842)	(1,387,842)
Balance, December 31, 2023		238,302,928	\$ 38,802,601	\$ 2,316,462	\$ (33,417,522)	\$ 7,701,541

See accompanying notes to the consolidated financial statements

ADAMERA MINERALS CORP.
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023
(Expressed in Canadian Dollars)

1. Nature and Continuance of Operations and Going Concern

Adamera Minerals Corp. (“Adamera” or “the Company”) was incorporated in February 2013 pursuant to an amalgamation under the Business Corporation Act (British Columbia). The Company’s common shares are listed for trading on the TSX Venture Exchange (“Exchange”) under the symbol “ADZ”. The Company also trades on the OTC Marketplace in the United States under the symbol “DDNFF”. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flows.

The Company’s head office, principal address and registered and records office is 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern and such adjustments could be material.

The Company’s continuing operations as intended are dependent upon the extent to which it can successfully develop its mineral properties and whether those assets contain ore reserves that are economically recoverable, and on its ability to raise additional funds by way of equity financings to meet the Company’s liabilities and commitments as they come due. To date the Company has not generated revenue and incurred a loss for the year ended December 31, 2023 of \$1,387,842. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments carried at fair value, using the accrual basis of accounting except for cash flow information. The material accounting policy information set out in Note 3 has been applied consistently to all years presented in these consolidated financial statements unless otherwise indicated.

3. Material Accounting Policy Information

(a) Basis of Consolidation and Presentation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries Adamera Minerals LLC and First Pass Exploration Services Inc..

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated upon consolidation.

3. Material Accounting Policy Information (continued)

(b) Use of Estimates and Judgment

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

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based payments, restoration provision, discount rate used for leases and income tax.

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

i) Functional currency

The Company's reporting currency and the functional currency of all its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. The functional currency determination was conducted through an analysis of consideration factors identified in IAS 21, The Effect of Changes in Foreign Exchange Rates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

i) Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

ii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

iii) Restoration provisions

The Company is subject to various government laws and regulations relating to ground and/or environmental disturbances caused by exploration at project locations. The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the year in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, supplies and equipment, dismantling operating facilities and restoration of affected areas.

3. Material Accounting Policy Information (continued)

(b) Use of Estimates and Judgment (continued)

iv) Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

v) Leases

Under IFRS 16, the Company assess whether a contract contains a lease and, if so, recognizes a lease liability by discounting the future lease payments over the non-cancellable term of the lease, using the Company's estimated incremental borrowing rate. Differences in the estimated incremental borrowing rate could result in materially different lease liabilities and right-of-use assets. The non-cancellable term of the lease depends on the terms of the lease agreement and management's plans for the leased asset in question.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

(c) Mineral Properties

Once the legal right to explore a property has been obtained, costs directly related to exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs, net of recoveries, on a property-by-property basis. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments and government assistance are recorded as property costs or recoveries when the payments are made or received.

Once economic viability and technical feasibility of a project is determined, capitalization costs are first tested for impairment and then transferred to property under development. All direct costs and incidental recoveries are thereafter capitalized.

If economically recoverable reserves are developed and commercial production is established capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of the project are deemed to be impaired. As a result those exploration and evaluation costs, in excess of estimated recoveries, are written off to profit or loss.

ADAMERA MINERALS CORP.
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023
(Expressed in Canadian Dollars)

3. Material Accounting Policy Information (continued)

(c) Mineral Properties (continued)

The Company assesses exploration and evaluation assets for impairment at each statement of financial position date or whenever facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. A cash-generating unit ("CGU") is the smallest identifiable group of mineral property assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(d) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses, if any. Depreciation is recognized as follows:

Computer equipment - 30% declining balance
Furniture and fixtures - 20% declining balance
Field equipment – 30% declining balance
Vehicles – 20% declining balance

(e) Restoration Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(f) Impairment of Non-Financial Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. 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. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the CGU to which the asset belongs.

ADAMERA MINERALS CORP.
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023
(Expressed in Canadian Dollars)

3. Material Accounting Policy Information (continued)

(f) Impairment of Non-Financial Assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(g) Foreign Exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

The financial position and results of operations whose functional currency is different from the Company's presentation currency are translated as follows: assets and liabilities are translated at period-end exchange rates prevailing at the reporting date; and income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation of foreign currency operations are recorded in accumulated other comprehensive income in the consolidated statements of loss and comprehensive loss.

(h) Warrants Issued in Equity Financing Transaction

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in the share-based compensation reserve.

Warrants that are issued as payment for agency fees or other transaction costs ("finder's warrants") are assigned a value based on the Black-Scholes Option Pricing Model and included in the share-based compensation reserve.

When warrants are exercised, any reserves related to those warrants are reclassified from the share-based compensation reserve to share capital.

3. Material Accounting Policy Information (continued)

(i) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Cash, receivables, accounts payable, due to/from related parties and Canada Emergency Business Account ("CEBA") are recognized at amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit and loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss). Marketable securities are measured at FVTPL.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition of assets are recognized in profit and loss.

Financial liabilities

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

3. Material Accounting Policy Information (continued)

(j) Leases

The Company makes judgments that affect the valuation of the lease liabilities, the valuation of the lease receivables and the valuation of Right-of-Use (“ROU”) assets. These include: determining contracts that are within the scope of IFRS 16; determining the contract term; and determining the interest rate used for the discounting of future cash flows.

The ROU assets are recognized initially at the value of lease liabilities at recognition with any prepaid payments, initial direct costs and dismantling costs less any lease incentives received. Re-measurements will not be applied by the Company subsequently, except for assessment for impairment, where appropriate.

The lease term determined by the Company comprises the non-cancellable period of lease contracts; the period covered by an option to extend the leases, if the Company is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option. The amortization rate of ROU assets is based on the lease term. The present value of the lease payment is determined using the discount rate representing the weighted average incremental borrowing rate the Company could secure. There are no restrictions or covenants imposed by the Company’s leases.

(k) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit or loss with a pro-rata portion of the deferred premium.

(l) Income Taxes

Income tax expense 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. Current tax expense is the expected tax payable on 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 by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to 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 statement of financial position 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 deferred tax asset will be recovered, it does not recognize the asset.

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3. Material Accounting Policy Information (continued)

(m) Share-based Payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The Board of Directors grants such options with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

Share-based compensation to employees is measured at the fair value of the instruments granted and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of equity instruments issued, if it is determined that the fair value of goods or services received cannot be reliably measured, and is recorded at the date that the fair value of the goods or services is received. The fair value of the options is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the period that the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

(n) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the years presented options and warrants outstanding have been excluded from the calculation as they are considered anti-dilutive.

(o) Recent accounting pronouncements

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. Financial and Capital Risk Management

The Company classifies its financial instruments into categories as follows: cash and receivables as financial assets at amortized cost; marketable securities as FVTPL; accounts payable, CEBA and due to/from related parties as other financial liabilities at amortized cost. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets and 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.

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4. Financial and Capital Risk Management (continued)

Marketable securities are measured using level 1 inputs.

Credit Risk

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held in major Canadian financial institutions, consequently the credit risk on cash is assessed as low. The Company's receivables consist of cost recoveries and reimbursements. Management believes that the credit risk concentration with respect to financial instruments included in receivables is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet the financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements. The Company assessed liquidity risk as high.

Interest Rate Risk

Interest rate risk is the risk of change in the borrowing rates of the Company. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has operations in the USA and Canada; however, its net monetary position in US dollars is minimal and therefore is not exposed to significant foreign exchange risk.

Commodity Risk

Commodity risk is the risk on financial performance due to fluctuations in the prices of commodities. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as cash and shareholder's equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

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4. Financial and Capital Risk Management (continued)

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on demand deposit in an interest bearing Canadian chartered bank account. The Company is not subject to any externally imposed restrictions on its capital. There have been no changes to the Company's management of capital during the year ended December 31, 2023.

5. Marketable Securities

On June 15, 2021, the Company received 1,000,000 shares of Churchill Resources Inc. pursuant to an agreement entered into in 2014 for the sale of the data of Amaruk Diamond property (Note 10(e)(iii)). The shares are measured and presented at fair value using the observable market share price as at the date of the statements of financial position. The gain or loss as a result of the re-measurement is recorded through profit and loss ("FVTPL").

December 31, 2023	Number of Shares	Cost	Fair Value
Churchill Resources Inc.	1,000,000	\$ 250,000	\$ 75,000

December 31, 2022	Number of Shares	Cost	Fair Value
Churchill Resources Inc.	1,000,000	\$ 250,000	\$ 95,000

	December 31, 2023	December 31, 2022
Net changes in fair value on marketable securities through profit and loss:		
Value at December 31, 2022 and 2021	\$ 95,000	\$ 185,000
Change in unrealized loss	(20,000)	(90,000)
Value at December 31, 2023 and 2022	\$ 75,000	\$ 95,000

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6. Equipment

	Furniture and fixtures	Computer equipment	Field equipment	Vehicles	Total
Cost					
Balance, December 31, 2021	\$ 19,406	\$ 46,155	\$ 80,496	\$ 7,332	\$ 153,389
Additions	-	-	-	2,513	2,513
Balance, December 31, 2022	19,406	46,155	80,496	9,845	155,902
Additions	-	-	-	-	-
Balance, December 31, 2023	\$ 19,406	\$ 46,155	\$ 80,496	\$ 9,845	\$ 155,902
Accumulated depreciation					
Balance, December 31, 2021	\$ 17,912	\$ 45,104	\$ 73,075	\$ 6,738	\$ 142,829
Depreciation	299	315	2,226	888	3,728
Balance, December 31, 2022	18,211	45,419	75,301	7,626	146,557
Depreciation	239	221	1,557	503	2,520
Balance, December 31, 2023	\$ 18,450	\$ 45,640	\$ 76,858	\$ 8,129	\$ 149,077
Carrying amounts					
As at December 31, 2022	\$ 1,195	\$ 736	\$ 5,195	\$ 2,219	\$ 9,345
As at December 31, 2023	\$ 956	\$ 515	\$ 3,638	\$ 1,716	\$ 6,825

During the year ended December 31, 2023, the Company capitalized \$2,060 (2022 - \$3,114) of depreciation to mineral properties (Note 10).

7. Deposits

	December 31, 2023	December 31, 2022
Office lease deposits	\$ 57,671	\$ 57,497
Exploration deposits	195,196	217,302
	\$ 252,867	\$ 274,799

Exploration deposits consists of bonds posted for the exploration properties which are held until reclamation is completed at the site.

8. Right-of-Use Assets and Lease Liabilities

The Company leased an office space under a non-cancellable operating lease for a period of five years expiring on August 31, 2025. On the commencement date, the Company recognized \$70,774 of right-of-use assets ("ROU") and \$1,257,367 of lease liabilities. The ROU asset of \$70,774 represents the portion of office space used by the Company and the residual \$1,186,593 represents the portion of office space used by sublessees.

The Company is liable for the liability under the head lease with the landlord. Sublessees have signed agreements for some of the offices within the area under the head lease, and the Company is responsible for the collection of any rental amounts from them.

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8. Right-of-Use Assets and Lease Liabilities (continued)

The right-of-use assets and lease liabilities in relation to the extended lease are as follows:

Date	Lease Liability				Right-of-Use Asset		
	Beginning Balance	Lease Payment	Interest Expense	Ending Balance	Beginning Balance	Depreciation charge	Ending Balance
December 31, 2020	\$ 1,257,367	\$ (63,754)	\$ 28,774	\$ 1,222,387	\$ 70,774	\$ (4,719)	\$ 66,055
December 31, 2021	1,222,386	(306,020)	76,511	992,877	66,055	(14,154)	51,901
December 31, 2022	992,877	(306,020)	59,920	746,777	51,901	(14,155)	37,746
December 31, 2023	746,777	(306,020)	42,130	482,887	37,746	(14,155)	23,591
December 31, 2024	482,887	(306,020)	23,053	199,920	23,591	(14,154)	9,437
August 31, 2025	199,920	(204,014)	4,094	-	9,437	(9,437)	-

Interest expense incurred on the lease liability for the year ended December 31, 2023 was \$42,130 (December 31, 2022 - \$59,920). Depreciation recognized on the ROU asset for the year ended December 31, 2023 was \$14,155 (December 31, 2022 - \$14,155). The lease payments were discounted using a discount rate of 7% per annum, which represents the Company's estimated incremental borrowing rate.

9. Finance Lease Receivables

The reconciliation between the total gross investment in the lease and the net investment in the lease at December 31, 2023 is as follows:

	December 31, 2023		December 31, 2022	
Gross receivable	\$	714,050	\$	1,022,480
Less: unearned finance income		(38,005)		(86,800)
Finance lease receivable	\$	676,045	\$	935,680
Current portion	\$	396,156	\$	330,644
Long-term portion		279,889		605,036
Finance lease receivable	\$	676,045	\$	935,680

The finance lease receivable was discounted using an incremental borrowing rate as at September 1, 2020 of 7% per annum. Finance income earned on the subleases during the year ended December 31, 2023 was \$57,347 (December 31, 2022 - \$82,551). Income from subleasing during the year ended December 31, 2023 was \$99,729 (December 31, 2022 - loss from subleasing of \$76,343).

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10. Mineral Properties

	Cooke Mountain	Empire Creek	Buckhorn 2.0	Hedley	Other	Total
Costs						
Balance, December 31, 2021	\$ 3,808,936	\$ 775,773	\$ 779,797	\$ 66,014	\$ 331,128	\$ 5,761,648
Acquisition cost	2,588	6,500	-	1,750	-	10,838
Camp costs	29,863	-	128,521	20,972	-	179,356
Depreciation (Note 6)	-	-	3,114	-	-	3,114
Drilling	96,394	-	601,554	-	-	697,948
Geochemistry	39,464	-	63,257	47,226	483	150,430
Geology	34,109	-	117,280	22,238	363	173,990
Geophysics	68,796	225	231,374	73,739	1,125	375,259
Holding costs	24,802	5,355	78,686	15,411	11,252	135,506
Management fees	30,892	-	-	-	-	30,892
Reclamation	1,464	-	-	-	-	1,464
Recovered exploration expenditures	(282,608)	-	-	-	-	(282,608)
Balance, December 31, 2022	3,854,700	787,853	2,003,583	247,350	344,351	7,237,837
Acquisition cost	2,644	5,500	-	-	-	8,144
Camp costs	43,174	-	33,974	4,191	84	81,423
Depreciation (Note 6)	1,030	-	1,030	-	-	2,060
Drilling	142,949	-	325,053	1,500	-	469,502
Geochemistry	6,221	-	29,498	67,293	24	103,036
Geology	4,713	-	1,813	33,850	126	40,502
Geophysics	6,831	-	101,435	12,427	-	120,693
Holding costs	8,822	5,630	84,698	500	8,944	108,594
Reclamation	758	-	5,167	-	-	5,925
Report	786	-	-	-	8,150	8,936
Mining tax credit BC METC	-	-	-	(15,327)	-	(15,327)
Write down of mineral properties	(781,067)	-	-	-	(2,882)	(783,949)
Balance, December 31, 2023	\$ 3,291,561	\$ 798,983	\$ 2,586,251	\$ 351,784	\$ 358,797	\$ 7,387,376

The Company holds the following mineral claims and permits:

(a) Cooke Mountain – Washington, USA

Adamera acquired the Cooke Mountain property by staking a 100% interest in these properties in Ferry County, Washington, including the Oversight, Lambert Creek and HLK properties.

On January 20, 2020, the Company entered into an earn-in agreement (the “Agreement”) with Hochschild Mining (US) Inc. (“Hochschild”) whereby Hochschild could earn up to a 75% interest in the Cooke Mountain property. On July 18, 2022, Hochschild provided notice of termination of the Agreement. Prior to the notice of termination, Hochschild had forwarded a total of \$2,359,005 (US\$1,836,753) for the Cooke Mountain property.

The Company now holds an unconditional 100% interest in the Cooke Mountain Project.

During the year ended December 31, 2023, the Company wrote off \$781,067 of capitalized exploration and evaluation costs due to claims the Company allowed to lapse.

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10. Mineral Properties (continued)

(b) Empire Creek – Washington, USA

On May 21, 2014, Adamera entered into a lease and advance royalty agreement whereby the Company has the exclusive rights and lease to acquire an undivided 100% interest in the minerals rights on the Empire Creek property. Pursuant to the terms of the agreement, the following share issuances and payments are required:

- i) US\$1,000 on signing (paid) and 10,000 common shares (issued);
- ii) US\$1,000 (paid) and 10,000 common shares in the first year (issued);
- iii) 20,000 common shares on or before December 1, 2015 (issued);
- iv) 20,000 common shares on or before December 1, 2016 (issued);
- v) 50,000 common shares (issued) or US\$15,000 cash, at the Company's discretion, on or before December 1, 2017;
- vi) 50,000 common shares (issued) or US\$20,000 cash, at the Company's discretion, on or before December 1, 2018; and
- vii) 100,000 common shares (issued) or US\$20,000 cash, at the Company's discretion, on or before December 1, 2019 and each subsequent year until termination of the agreement (100,000 shares were issued per year in each of 2019 to 2023; Notes 14(b)(iii) and 14(b)(vii)).

The property is subject to a 2% net smelter returns royalty ("NSR"), of which the Company has the option to purchase one-half of the NSR (1%) for US\$1,000,000 and the second half may be purchased for an additional payment of US\$1,000,000.

(c) Buckhorn 2.0 – Washington, USA

Adamera acquired the Buckhorn 2.0 property by staking a 100% interest in these properties in Washington. The claims staked and recorded by the Company are subject to a 1% royalty, of which 0.5% may be purchased for \$500,000 at anytime.

On May 21, 2020, Adamera entered into an agreement to lease a number of claims for a period of 6 years in Washington State for US\$1,000 (paid) and 100,000 common shares (issued). The Company may extend the lease beyond 2026 by paying US\$1,000 per year. At any time, the Company may purchase the claims for US\$50,000, subject to a 2% royalty of which 1% may be purchased for US\$1,000,000.

On September 3, 2021, the Company entered into a Data Transfer Agreement ("Agreement") with a wholly owned subsidiary of Kinross Gold Corp ("Kinross"). In exchange for this data, the Company reserved a 2% net smelter returns production royalty (the "Royalty") for Kinross on claims held on federal lands and a 0.5% Royalty on State lease land. The Company may purchase half of the Royalty for \$2,000,000.

(d) Hedley – British Columbia, Canada

Adamera acquired the Hedley property by staking a 100% interest in the property in British Columbia Canada.

On November 26, 2022, the Company expanded Hedley property by acquiring 100% interest in the Polecat claims in British Columbia Canada for 25,000 common shares (issued; Note 14(b)(iv)). The claims are subject to a 2% net smelter returns royalty ("NSR"), of which the Company has the option to purchase at anytime for \$500,000.

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10. Mineral Properties (continued)

(e) Others

i) Talisman – Washington USA and British Columbia Canada

Adamera acquired the Talisman property by staking a 100% interest in these property in Ferry County Washington and British Columbia Canada.

ii) Flaghill – Washington USA

Adamera acquired the Flaghill property by staking a 100% interest in the property in Ferry County, Washington.

iii) Nunavut and Northwest Territories, Canada

During fiscal 2014, the Company entered into an agreement to sell data related to certain diamond properties for \$50,000 on signing (received) and \$50,000 (received) upon claims getting registered, and 1,000,000 common shares (received) (Note 5) on registration of claims within an area of interest. The Company will retain a 2% gross overriding royalty on diamonds mined in the area of interest.

As a result of previously ceasing activities on the uranium, diamond and gold properties in the Northwest Territories, the Company is required to dispose of fuel and related camp supplies. During the year ended December 31, 2022, the Company engaged a contractor to clean up the site and utilized the restoration provisions and spent an additional \$60,535 for the clean up. During the year ended December 31, 2023, the Company further cleaned up the site and utilized the restoration provisions. As at December 31, 2023, the Company had recorded a provision for disposal costs of \$Nil (December 31, 2022 - \$50,000). The site is subject to the Nunavut government's inspection.

11. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are as follows:

	December 31,		December 31,
	2023		2022
Accounts payable	\$ 309,150	\$	80,822
Accruals	33,500		33,500
	\$ 342,650	\$	114,322

12. Canada Emergency Business Account (“CEBA”)

In April 2020, the Company received \$40,000 from the Government of Canada related to CEBA. CEBA is an interest-free loan launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses. The terms of CEBA are as follows:

- i) 0% interest operating line of credit until December 31, 2020;
- ii) On January 1, 2021, this operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2023. The forgiveness repayment date is extended to January 18, 2024. \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before January 18, 2024 (subsequently repaid \$30,000 on January 16, 2024 and recorded an income of \$10,000 for the forgiven portion (Note 20)).

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13. Related Party Transactions

The Company entered into the following related party transactions during the year ended December 31, 2023:

	Services	As at December 31, 2023	As at December 31, 2022
Amounts due to:			
Mark Kolebaba, Chief Executive Officer & Director	Expense reimbursements	\$ -	\$ 80,507
1273868 BC Ltd. ^(a)	Consulting services	45,299	-
Pacific Opportunity Capital Ltd. ^(b)	Management and accounting services	17,850	19,163
Winnie Wong, Corporate Secretary	Expense reimbursements	2,465	-
Commander Resources Ltd. ^(c)	Rent deposit	-	8,395
TOTAL:		\$ 65,614	\$ 108,065

Remuneration (key management personnel):	Services	During the year ended December 31, 2023	During the year ended December 31, 2022
Mark Kolebaba, Chief Executive Officer & Director	Wages and benefits	\$ 129,334	\$ 120,400
1273868 BC Ltd. ^(a)	Consulting services and equipment rental	101,840	19,600
Pacific Opportunity Capital Ltd. ^(b)	Accounting services	107,240	122,725
Directors & officers	Share-based compensation	102,178	208,763
TOTAL:		\$ 440,592	\$ 471,488

Payments from related parties	Services	During the year ended December 31, 2023	During the year ended December 31, 2022
Commander Resources Ltd. ^(c)	Rent and reimbursments	\$ 19,107	\$ 36,710
TOTAL:		\$ 19,107	\$ 36,710

(a) Mark Kolebaba, President and CEO of the Company is also the president of 1273868 BC Ltd. During the year ended December 31, 2023, \$101,840 (December 31, 2022, \$19,600) of consulting service fees were capitalized to mineral properties.

(b) Mark T. Brown, CFO of the Company is the president of Pacific Opportunity Capital Ltd.

(c) Bernard Kahlert, the former director of the Company is a director of Commander Resources Ltd. Mr. Kahlert ceased to be a director of the Company effective as of June 22, 2023.

Amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

During the year ended December 31, 2023, a director and office of the Company purchased 800,000 flow-through shares as part of the October 24, 2023 private placement (Note 14).

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14. Share Capital

(a) Authorized

As at December 31, 2023, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares were fully paid common shares.

(b) Share Issuances

2022 transactions:

- i) On July 20, 2022, the Company completed a non-brokered flow-through private placement for the issuance of 2,000,000 flow-through ("FT") shares at a price of \$0.10 per FT share for gross proceeds of \$200,000. The Company recorded a flow-through share premium liability of \$80,000 in connection with this financing (Note 19).
- ii) On August 29, 2022, the Company completed a non-brokered private placement for the issuance of 16,739,333 units at \$0.06 per unit for a total of \$1,004,360. Each unit consisted of one common share and one-half share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 until August 29, 2025. These warrants have a forced exercise price. If the closing price of the Company's shares is \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise, the warrants expire on the 31st day after the Company gives such notice. The Company incurred share issue costs in the amount of \$8,023 in connection with the placement.
- iii) On December 1, 2022, the Company issued a total of 100,000 common shares valued at \$6,500 pursuant to the lease and advance royalty agreement on the Empire Creek property (Note 10(b)(vii)).
- iv) On December 7, 2022, the Company issued a total of 25,000 common shares valued at \$1,750 pursuant to the purchase agreement on the Polecat claims (Note 10(d)).

2023 transactions:

- v) On April 25, 2023, the Company completed a non-brokered private placement for the issuance of 6,700,000 units at \$0.05 per unit for a total of \$335,000. Each unit consisted of one common share and one-half share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 until April 25, 2025. These warrants have a forced exercise price. If the closing price of the Company's shares is \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise, the warrants expire on the 31st day after the Company gives such notice. The warrants are ascribed a value of \$67,000 based on residual method. The Company incurred share issue costs in the amount of \$13,647 in connection with the placement.
- vi) On October 24, 2023, the Company completed a non-brokered private placement for the issuance of 1,160,000 flow-through ("FT") shares at a price of \$0.05 per FT share for a total of \$58,000. The Company also completed a non-brokered private placement for the issuance of 5,000,000 units at \$0.05 per unit for a total of \$250,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.05 until October 24, 2026. The Company incurred share issue costs in the amount of \$3,093 in connection with the placement. A director and officer of the Company purchased 800,000 FT shares as part of this private placement (Note 13).
- vii) On December 1, 2023, the Company issued a total of 100,000 common shares valued at \$5,500 pursuant to the lease and advance royalty agreement on the Empire Creek property (Note 10(b)(vii)).

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14. Share Capital (continued)

(b) Share Issuances (continued)

2023 transactions: (continued)

viii) On December 27, 2023, the Company completed a non-brokered private placement for the issuance of 2,570,000 units at \$0.05 per unit for a total of \$128,500. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 until December 27, 2025. The Company incurred share issue costs in the amount of \$1,365 in connection with the placement.

(c) Stock Options

The Company has established a share option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from the date of grant (or lesser period prescribed by the Exchange policies), or such lesser period as determined by the Company's board of directors. The exercise price of an option is equal to or greater than the closing market price on the Exchange on the day preceding the date of grant. The vesting terms for each grant are set by the Board of Directors. The share option plan provides that the aggregate number of shares reserved for issuance under the plan shall not exceed 10% of the total number of issued and outstanding shares, calculated at the date of grant.

Stock option transactions are summarized as follows:

Expiry date	Exercise price	December 31, 2021	Granted	Exercised	Expired / Cancelled	December 31, 2022
March 31, 2022	\$ 0.145	675,000	-	-	(675,000)	-
May 5, 2022	\$ 0.100	225,000	-	-	(225,000)	-
June 2, 2022	\$ 0.200	2,000,000	-	-	(2,000,000)	-
July 16, 2023	\$ 0.055	1,325,000	-	-	-	1,325,000
December 3, 2023	\$ 0.100	2,455,000	-	-	(400,000)	2,055,000
June 8, 2025	\$ 0.100	1,760,000	-	-	(400,000)	1,360,000
July 9, 2025	\$ 0.100	2,900,000	-	-	-	2,900,000
March 22, 2026	\$ 0.100	960,000	-	-	-	960,000
September 23, 2026	\$ 0.080	2,275,000	-	-	-	2,275,000
November 28, 2027	\$ 0.080	-	3,815,000	-	-	3,815,000
Options outstanding		14,575,000	3,815,000	-	(3,700,000)	14,690,000
Options exercisable		14,095,000	3,815,000	-	(3,700,000)	14,690,000
Weighted average exercise price	\$	0.109	\$ 0.080	\$	0.162	\$ 0.088

Expiry date	Exercise price	December 31, 2022	Granted	Exercised	Expired / Cancelled	December 31, 2023
July 16, 2023	\$ 0.055	1,325,000	-	-	(1,325,000)	-
December 3, 2023	\$ 0.100	2,055,000	-	-	(2,055,000)	-
June 8, 2025	\$ 0.100	1,360,000	-	-	-	1,360,000
July 9, 2025	\$ 0.100	2,900,000	-	-	-	2,900,000
March 22, 2026	\$ 0.100	960,000	-	-	-	960,000
September 23, 2026	\$ 0.080	2,275,000	-	-	(250,000)	2,025,000
November 28, 2027	\$ 0.080	3,815,000	-	-	-	3,815,000
January 23, 2028	\$ 0.080	-	350,000	-	-	350,000
December 4, 2028	\$ 0.050	-	2,428,750	-	-	2,428,750
Options outstanding		14,690,000	2,778,750	-	(3,630,000)	13,838,750
Options exercisable		14,690,000	2,778,750	-	(3,630,000)	13,838,750
Weighted average exercise price	\$	0.088	\$ 0.054	\$	0.082	\$ 0.082

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14. Share Capital (continued)

(c) Stock Options (continued)

The fair value of options granted and expensed during the year ended December 31, 2023 was \$130,728 (2022 - \$251,761) or \$0.05 (2022 - \$0.06) per option.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	December 31, 2023	December 31, 2022
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	156.70%	152.45%
Risk-free interest rate	3.47%	1.57%
Forfeiture rate	0.00%	0.00%
Expected life of options	5 years	5 years

(d) Warrants

Warrant transactions are summarized as follows:

Expiry date	Exercise price	December 31, 2021	Issued	Exercised	Expired	December 31, 2022
March 18, 2022	\$ 0.15	27,500	-	-	(27,500)	-
March 18, 2023	(a) \$ 0.15	8,125,000	-	-	-	8,125,000
July 11, 2023	(b) \$ 0.12	4,166,667	-	-	-	4,166,667
December 22, 2023	(c) \$ 0.10	6,825,000	-	-	-	6,825,000
January 2, 2024	(d) \$ 0.10	4,525,000	-	-	-	4,525,000
August 29, 2025	(e) \$ 0.10	-	8,369,665	-	-	8,369,665
Outstanding		23,669,167	8,369,665	-	(27,500)	32,011,332
Weighted average exercise price		\$ 0.12	\$ 0.10	\$ -	\$ 0.15	\$ 0.12

Expiry date	Exercise price	December 31, 2022	Issued	Exercised	Expired	December 31, 2023
July 11, 2023	(b) \$ 0.12	4,166,667	-	-	(4,166,667)	-
March 18, 2024	(a) \$ 0.15	8,125,000	-	-	-	8,125,000
June 22, 2025	(c) \$ 0.10	6,825,000	-	-	-	6,825,000
July 2, 2025	(d) \$ 0.10	4,525,000	-	-	-	4,525,000
August 29, 2025	(e) \$ 0.10	8,369,665	-	-	-	8,369,665
April 25, 2025	(e) \$ 0.10	-	3,350,000	-	-	3,350,000
December 27, 2025	\$ 0.10	-	2,570,000	-	-	2,570,000
October 24, 2026	\$ 0.05	-	5,000,000	-	-	5,000,000
Outstanding		32,011,332	10,920,000	-	(4,166,667)	38,764,665
Weighted average exercise price		\$ 0.12	\$ 0.08	\$ -	\$ 0.12	\$ 0.10

- (a) These warrants have a forced exercise provision. If the closing price of the Company's shares is \$0.25 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise the warrants expire on the 31st day after the Company gives such notice. On March 13, 2023, the expiry date of 8,125,000 warrants was extended to March 18, 2024. Subsequent to December 31, 2023, 8,125,000 warrants expired unexercised.
- (b) These warrants have a forced exercise provision. If the closing price of the Company's shares is \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise the warrants expire on the 31st day after the Company gives such notice. On December 6, 2021, the expiry date of 4,166,667 warrants was extended to January 11, 2023. On December 1, 2022, the expiry date of 4,166,667 warrants was further extended to July 11, 2023.

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14. Share Capital (continued)

(d) Warrants (continued)

- (c) On June 9, 2021, the expiry date of 6,825,000 warrants was extended to December 22, 2021, on December 6, 2021, the expiry date was further extended to December 22, 2022, on December 1, 2022, the expiry date was further extended to December 22, 2023 and on December 7, 2023, the expiry date was further extended to June 22, 2025.
- (d) On June 9, 2021, the expiry date of 4,525,000 warrants was extended to January 2, 2022, on December 6, 2021, the expiry date was further extended to January 2, 2023 and on December 1, 2022, the expiry date was further extended to January 2, 2024 and on December 7, 2023, the expiry date was further extended to July 2, 2025.
- (e) These warrants have a forced exercise provision. If the closing price of the Company's shares is \$0.20 or greater for a period of 10 consecutive trading days, the warrant holder will have 30 days from the date the Company gives notice to exercise their warrants; otherwise, the warrants expire on the 31st day after the Company gives such notice.

(e) Share-based compensation reserve

The share-based compensation reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

15. Income Taxes

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	December 31,	December 31,
	2023	2022
Loss before income taxes	\$ (1,387,842)	\$ (1,101,488)
Expected income tax recovery at 27% (2022 - 27%)	\$ (375,000)	\$ (297,000)
Change in statutory, foreign tax, foreign exchange rates and other	38,000	(45,000)
Permanent differences	22,000	49,000
Impact of flow through share	16,000	43,000
Share issue costs	(5,000)	(2,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	142,000	(204,000)
Change in unrecognized deductible temporary differences	162,000	456,000
Total income tax recovery	\$ -	\$ -

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15. Income Taxes (continued)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets		
Exploration and evaluation assets	\$ 6,070,000	\$ 5,929,000
Property and equipment	145,000	144,000
Right-of-use assets	(6,000)	(10,000)
Share issue costs	11,000	12,000
Marketable securities	24,000	21,000
Provision	-	14,000
Lesse liability	130,000	202,000
Allowable capital losses	68,000	68,000
Non-capital losses available for future period	6,243,000	6,143,000
	12,685,000	12,523,000
Unrecognized deferred tax assets	(12,685,000)	(12,523,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2023	Expiry Date Range	December 31, 2022	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	\$ 20,176,000	No expiry date	\$ 19,478,000	No expiry date
Investment tax credit	955,000	2029 to 2043	955,000	2028 to 2042
Property and equipment	538,000	No expiry date	536,000	No expiry date
Right-of-use assets	(24,000)	2025	(38,000)	2025
Share issue costs	40,000	2043 to 2047	45,000	2042 to 2046
Marketable securities	175,000	No expiry date	155,000	No expiry date
Provision	-	No expiry date	50,000	No expiry date
Lesse liability	482,887	2025	746,778	2025
Allowable capital losses	252,000	No expiry date	252,000	No expiry date
Non-capital losses available for future period	23,722,000	2029 to 2043	23,382,000	2028 to 2042

Tax attributes are subject to review and potential adjustment by tax authorities.

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16. Supplemental Disclosure With Respect to Cash Flows

	December 31, 2023	December 31, 2022
Significant non-cash investing and financing activities		
Mineral property expenditures included in accounts payable	\$ 216,976	\$ 41,401
Mineral property expenditures included in due to related parties	44,604	52,189
Share issue costs included in accounts payable	1,365	-
Shares issued for property acquisition	5,500	8,250
Residual value of warrants issued as part of private placement	67,000	-
Depreciation included in mineral property expenditures	2,060	3,114
Expiration of warrants	41,667	-

17. Segmented Information

The Company conducts its business as a single operating segment being the acquisition and exploration of mineral properties. The Company's non-current non-financial assets by geographic area are as follows:

	December 31, 2023	December 31, 2022
Canada	\$ 738,259	\$ 973,362
USA	7,212,289	7,191,401
	\$ 7,950,548	\$ 8,164,763

18. Commitment

The Company leases an office under non-cancellable operating leases for a period of five years expiring on August 31, 2025. Total lease liabilities of \$482,887 were recorded as at December 31, 2023 (Note 8).

19. Flow-Through Share Premium Liability

	December 31, 2023	December 31, 2022
Balance, beginning of the year	\$ 16,075	\$ -
Flow-through share premium liability recognized	-	80,000
Flow-through share premium recovery	(16,075)	(63,925)
Balance, end of the year	\$ -	\$ 16,075

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended December 31, 2023, the Company received \$58,000 from the issuance of flow-through shares which were priced equal to the market price; therefore no flow-through share premium liability was recognized (Note 14 (b)(vi)). During the year ended December 31, 2022, \$200,000 from the issuance of flow-through shares at a premium to the market price and recognized a flow-through share premium liability of \$80,000 (Note 14(b)(i)). During the year ended December 31, 2023, the Company incurred and renounced eligible expenditures of \$98,187 (2022 - \$159,813). These expenditures will not be available to the Company for future deduction from taxable income.

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19. Flow-Through Share Premium Liability (continued)

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or “premium”, are recorded as deferred liability. As at December 31, 2023, the Company had a remaining qualifying expenditure commitment of \$Nil (December 31, 2022 - \$40,187) from the proceeds of flow-through shares issued.

20. Events After the Reporting Period

Subsequent to the year-end, on January 16, 2024, the Company repaid \$30,000 of the Canada Emergency Business Account (“CEBA”) loan from the Government of Canada and recorded an income of \$10,000 for the forgiven portion (Note 12).