GOLDSTORM METALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim condensed interim financial statements by an entity's auditor.

GOLDSTORM METALS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT

	December 31, 2023	March 31, 2023
ASSETS		
Current		
Cash	$ 2,162,279	$ 2,456,660
Amounts receivable	86,008	37,305
Prepaids and deposits	49,935	150,575
	2,298,222	2,644,540
Reclamation deposits (Note 5)	60,900	56,900
Exploration and evaluation assets (Note 5)	15,009,773	13,293,297
Property, plant and equipment (Note 6)	393,337	158,862
Total assets	**$ 17,762,232**	**$ 16,153,599**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 92,714	$ 39,505
Due to related parties (Note 8)	129,397	62,187
	222,111	101,692
Flow-through share premium liabilities (Note 9)	184,752	143,236
Total liabilities	406,863	244,928
Shareholders' equity		
Share capital (Note 7)	18,323,588	16,414,398
Equity reserves (Note 7)	1,462,719	1,367,743
Deficit	(2,430,938)	(1,873,470)
Total shareholders' equity	17,355,369	15,908,671
Total liabilities and shareholders' equity	**$ 17,762,232**	**$ 16,153,599**

Nature and continuance of operations (Note 1)

Approved and authorized for issuance by the Board of Directors:

"Ken Konkin" Director *"Helmut Finger"* Director

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

GOLDSTORM METALS CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended December 31, 2023	Three months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2022
OPERATING EXPENSES				
Accretion of lease	$ -	$ 2,134	$ -	$ 2,134
Consulting fees (Note 8)	54,221	45,376	193,067	45,376
Depreciation	23,867	13,866	71,186	13,866
Office and miscellaneous	29,568	13,721	92,798	16,086
Professional fees (Note 8)	31,184	207,014	127,543	213,814
Rent	6,243	-	18,729	-
Shareholder information	35,222	69,615	112,779	69,615
Share-based compensation (Note 7,8)	22,005	1,570,651	22,005	1,570,651
Transfer agent and filing fees	7,428	29,547	52,390	29,547
Travel	6,980	30,546	9,431	30,546
Loss from operations	(216,718)	(1,982,470)	(699,928)	(1,991,635)
Foreign exchange loss	(519)	(1,889)	(2,724)	(1,889)
Settlement of flow-through share premium liabilities (Note 9)	1,948	12,712	145,184	12,712
Loss and comprehensive loss for the period	$ (215,289)	$ (1,971,647)	$ (557,468)	$ (1,980,812)
Loss per share – basic and diluted	$ (0.00)	$ (0.06)	$ (0.01)	$ (0.17)
Weighted average number of common shares outstanding – basic and diluted	66,230,080	35,031,051	64,859,642	11,719,480

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

GOLDSTORM METALS CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
For the nine months ended December 31, 2023 and 2022

		2023		2022
OPERATING ACTIVITIES				
Loss for the period	$	(557,468)	$	(1,980,812)
Accretion on lease obligation		-		2,134
Depreciation		71,186		13,866
Settlement of flow-through share premium liabilities		(145,184)		(12,712)
Share-based compensation		22,005		1,570,651
Changes in non-cash working capital items:				
Amounts receivable		(48,703)		(20,168)
Prepaids and deposits		100,640		(182,403)
Accounts payable and accrued liabilities		75,573		19,239
Due to related party		44,969		36,746
Cash used in operating activities		(436,982)		(553,459)
INVESTING ACTIVITIES				
Property, plant and equipment		(305,661)		-
Reclamation deposit		(4,000)		(56,900)
Exploration and evaluation assets expenditures		(1,716,599)		(172,388)
Cash used in investing activities		(2,026,260)		(229,288)
FINANCING ACTIVITIES				
Proceeds from private placement		2,318,180		3,900,000
Share issuance costs		(149,319)		(106,963)
Lease payments		-		(15,000)
Cash provided by financing activities		2,168,861		3,778,037
Change in cash		(294,381)		2,995,290
Cash (bank indebtedness), beginning of period		2,456,660		(6)
Cash, end of period	$	2,162,279	$	2,995,284

Supplemental disclosure with respect to cash flows (Note 12)

GOLDSTORM METALS CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (DEFICIENCY)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
FOR THE PERIODS ENDED DECEMBER 31, 2023 AND 2022

	Number of Shares	Share Capital	Equity Reserves	Deficit	Total
Balance, March 31, 2022	1	$ 1	$ -	$ (3,865)	$ (3,864)
Shares issued for spun-out assets	49,847,966	12,960,471	-	-	12,960,471
Private placement	14,322,712	3,900,000	-	-	3,900,000
Share issuance costs	-	(137,422)	30,459	-	(106,963)
Flow-through share premium liability	-	(176,095)	-	-	(176,095)
Share-based compensation	-	-	1,570,651	-	1,570,651
Loss for the period	-	-	-	(1,980,812)	(1,980,812)
Balance, December 31, 2022	64,170,679	$ 16,546,955	$ 1,601,110	$ (1,984,677)	$ 16,163,388
Balance, March 31, 2023	64,170,679	$ 16,414,398	$ 1,367,743	$ (1,873,470)	$ 15,908,671
Private placement	11,841,556	2,318,180	-	-	2,318,180
Share issuance costs	-	(222,290)	72,971	-	(149,319)
Flow-through share premium liability	-	(186,700)	-	-	(186,700)
Share-based compensation	-	-	22,005	-	22,005
Loss for the period	-	-	-	(557,468)	(557,468)
Balance, December 31, 2023	76,012,235	$ 18,323,588	$ 1,462,719	$ (2,430,938)	$ 17,355,369

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Goldstorm Metals Corp. (the "Company" or "Goldstorm") was incorporated under the laws of British Columbia on August 5, 2020. The Company's head office is located at Suite 789, 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2. The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "GSTM". The Company is a junior resource exploration company that is involved in the acquisition and exploration of mineral properties in Canada.

During the year ended March 31, 2023, the Company completed a plan of arrangement (the "Arrangement") with Tudor Gold Corp. ("Tudor"), whereby the Company issued 49,847,966 common shares as consideration in connection with the spin-off of Tudor's six mineral properties located in the Golden Triangle Area in northwestern British Columbia (Note 4).

As at December 31, 2023, the Company had working capital of $2,076,111. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. These factors represent a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements have been prepared on a going concern basis.

The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

2. BASIS OF PREPARATION

These condensed interim financial statements, including comparatives have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended March 31, 2023.

The condensed interim financial statements were authorized for issue by the Board of Directors on February 12, 2024.

The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

2. BASIS OF PREPARATION (continued)

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of these condensed interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at March 31, 2023. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2023.

4. PLAN OF ARRANGEMENT

On August 5, 2020, the Company was incorporated as a subsidiary in Tudor in order to facilitate a plan of arrangement ("Arrangement") whereby the Crown Properties would be spun out to Goldstorm.

On November 10, 2022, Tudor transferred its 100% interest in the Crown Properties to Goldstorm in exchange for 49,847,966 common shares of Goldstorm. The Goldstorm shares were then distributed to Tudor's shareholders. Pursuant to the Arrangement, holders of common shares of Tudor received one new common share of Tudor (each, a "Tudor Share") and 0.251 of a Goldstorm share (each, a "Goldstorm Share") for each common share held. Holders of Tudor's warrants, upon exercise of the warrants at the original exercise price, will receive one Tudor common share and 0.251 of a Goldstorm common share. Tudor, acting as agent for Goldstorm, shall collect and pay to Goldstorm an amount equal to 3.5% of the gross proceeds to reflect the comparative fair values of Tudor and Goldstorm on completion of the Arrangement. The increase in the fair value of Goldstorm's warrant commitment was determined to be immaterial based on relative proportion of the comparative fair values of Tudor and Goldstorm on completion of the Arrangement.

The fair value of net assets transferred was based on the expected market value of a Goldstorm share of $0.26 per share as per a private placement completed on November 10, 2022.

The Arrangement resulted in a fair value of assets transferred to Goldstorm of $12,960,471 with a corresponding increase in share capital.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Crown Property
ACQUISITION	
Balance, March 31, 2022	$ -
Contribution from spinout assets (Note 4)	12,960,471
Balance, March 31, 2023 and December 31, 2023	**$ 12,960,471**
EXPLORATION	
Balance, March 31, 2022	$ -
Assays	12,910
Consulting	68,376
Geology (Note 7)	179,328
Field costs	29,426
Travel	42,786
Balance, March 31, 2023	**332,826**
Accommodation	4,104
Assays	170,699
Consulting	136,125
Drilling	417,443
Geology (Note 7)	403,484
Field costs	328,457
Travel	280,030
Cost recovery	(23,866)
Balance, December 31, 2023	**$ 2,049,302**
CARRYING VALUE	
March 31, 2023	$ 13,293,297
December 31, 2023	**$ 15,009,773**

Crown Property

During the year ended March 31, 2023, the Company completed a plan of arrangement with Tudor whereby the Company issued 49,847,966 common shares as consideration in connection with the spin-off of Tudor's six mineral properties located in the Golden Triangle Area in northwestern British Columbia (Note 4). Collectively, the six mineral properties are known as "Mackie East", "Mackie West", "Fairweather", "High North", "Delta" and "Orion", plus the mineral property known as "Electrum".

Crown Property - Mackie East and Mackie West (collectively the "Mackie Property")

The Mackie East claims are subject to a 2.5% net smelter return ("NSR") royalty.

The Mackie West claims are not subject to royalties in respect of these claims.

Crown Property - Electrum

The Company owns a 100% interest in the Electrum Property which comprises eight claims, of which six claims are subject to a 2% NSR royalty which can be purchased at any time for $1,000,000.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Crown Property - Orion

The Company owns a 100% interest in the Orion Property located in the Skeena Mining Division of northwestern British Columbia. The property is subject to a 2.5% NSR royalty.

Crown Property - Fairweather, Delta, and High North

The Company owns a 100% interest in three properties in the Skeena Mining Division of northwestern British Columbia known as the Fairweather Property, the Delta Property, and the High North Property.

Reclamation Deposits

As at December 31, 2023, the Company has a reclamation deposit posted of $60,900 (March 31, 2023 - $56,900) relating to the Electrum and Mackie properties.

6. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Bridge Crossing	Total
Cost			
Balance, March 31, 2022	$ -	$ -	$ -
Additions	181,556	-	181,556
Balance, March 31, 2023	181,556	-	181,556
Additions	34,025	271,636	305,661
Balance, December 31, 2023	$ 215,581	$ 271,636	$ 487,217
Accumulated Depreciation			
Balance, March 31, 2022	$ -	$ -	$ -
Depreciation	22,694	-	22,694
Balance, March 31, 2023	22,694	-	22,694
Depreciation	37,232	33,954	71,186
Balance, December 31, 2023	$ 59,926	$ 33,954	$ 93,880
Net book value			
Balance, March 31, 2023	$ 158,862	$ -	$ 158,862
Balance, December 31, 2023	**$ 155,655**	**$ 237,682**	**$ 393,337**

7. SHARE CAPITAL

Authorized: Unlimited common shares without par value.

Share Issuances

During the period ended December 31, 2023, the Company:

a) Completed a private placement consisting of 2,506,556 non-flow-through units at a price of $0.18 per unit for gross proceeds of $451,180. Each non-flow-through unit consisted of one common share and one-half share purchase warrant (each a "warrant"). Each full warrant is exercisable for one common share at a price of $0.35 for a period of two years from the date of issuance.

b) Completed a private placement consisting of 9,335,000 flow-through units at a price of $0.20 per unit for gross proceeds of $1,867,000. Each flow-through unit consisted of one flow-through common share and one-half share purchase warrant. Each full warrant is exercisable for one common share at a price of $0.35 for a period of two years from the date of issuance. The Company recognized a $186,700 flow-through liability from this issuance.

   In connection with the private placements, the Company paid certain finders a total cash finder's fee of $105,785 and issued an aggregate of 529,860 finder's warrants. Each finder's warrant is exercisable for one common share at a price of $0.20 for a period of two years from the date of issuance. The fair value of the finder's warrants was estimated to be $72,971 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 153,19%; risk-free rate of 3.88%; expected dividends of $Nil. The Company also incurred additional cash share issuance costs of $43,534.

During the year ended March 31, 2023, the Company:

a) Completed a plan of arrangement with Tudor, whereby the Company issued 49,847,966 common shares with fair value of $12,960,471 for the acquisition of the Crown properties (see Note 4).

b) Completed a private placement consisting of 10,800,812 non-flow-through units at a price of $0.26 per unit for gross proceeds of $2,808,211. Each non-flow-through unit consisted of one common share and one share purchase warrant (each a "warrant"). Each warrant is exercisable for one common share at a price of $0.60 for a period of two years from the date of issuance.

c) Completed a private placement consisting of 3,521,900 flow-through units (of which 3,194,400 were subscription receipts that were converted to flow-through units after completion of the Arrangement) at a price of $0.31 per unit for gross proceeds of $1,091,789. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each warrant is exercisable for one common share at a price of $0.60 for a period of two years from the date of issuance. The Company recognized a $176,095 flow-through liability from this issuance.

   In connection with the private placements, the Company paid certain finders a total cash finder's fee of $97,031 and issued an aggregate of 260,052 finder's warrants. Each finder's warrant is exercisable for one common share at a price of $0.26 for a period of two years from the date of issuance. The fair value of the finder's warrants was estimated to be $30,459 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 57.01%; risk-free rate of 3.83%; expected dividends of $Nil. The Company also incurred additional cash share issuance costs of $142,489 in relation to the financings.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock Options

The Company adopted an incentive stock option plan (the "Option Plan") which allows the Company's Board of Directors, at its discretion and in accordance with TSX-V requirements, to grant options to purchase common shares to its directors, officers, employees and technical consultants to the Company. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options may be exercisable for a period of up to ten years from the date of grant and vesting terms will be determined at the time of grant by the Board of Directors.

During the period ended December 31, 2023, the Company granted 150,000 stock options at an exercise price of $0.35 expiring on December 18, 2026. These options vested immediately. The fair value of the stock options was estimated to be $22,005 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 154.97%; risk-free rate of 3.80%; and expected dividends of $Nil.

During the year ended March 31, 2023, the Company granted 6,400,000 stock options at an exercise price of $0.26 expiring on November 10, 2030. These options vested immediately. The fair value of the stock options was estimated to be $1,337,284 using the Black-Scholes option pricing model with the following assumptions: term of 8 years; expected volatility of 86.13%; risk-free rate of 3.15%; and expected dividends of $Nil.

Changes in stock options for the period ended December 31, 2023 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2022	-	$ -
Options granted	6,400,000	0.26
Balance, March 31, 2023	6,400,000	0.26
Options granted	150,000	0.35
Balance, December 31, 2023	6,550,000	$ 0.26
Number of options currently exercisable	6,550,000	$ 0.26

Stock options outstanding as at December 31, 2023 are as follows:

Grant Date	Number Outstanding	Exercise Price	Expiry Date
December 18, 2023	150,000	$ 0.35	December 18, 2026
November 10, 2022	6,400,000	0.26	November 10, 2030
	6,550,000		

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Warrants

Under the Arrangement (Note 4), holders of Tudor's warrants, upon exercise of the warrants at the original exercise price, will receive one Tudor common share and 0.251 of a Goldstorm common share. Tudor, acting as agent for Goldstorm, shall collect and pay to Goldstorm an amount equal to 3.5% of the gross proceeds to reflect the comparative fair values of Tudor and Goldstorm on completion of the Arrangement.

Changes in share purchase warrants for the period ended December 31, 2023 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2022	-	$ -
Warrants issued	14,582,764	0.59
Balance, March 31, 2023	14,582,764	0.59
Warrants issued	6,450,638	0.34
Balance, December 31, 2023	21,033,402	$ 0.52

Share purchase warrants outstanding at December 31, 2023 are as follows:

Issue Date	Number Outstanding	Exercise Price	Expiry Date
November 10, 2022	14,322,712	$0.60	November 10, 2024
November 10, 2022	260,052	0.26	November 10, 2024
December 15, 2023	5,920,778	0.35	December 15, 2025
December 15, 2023	529,860	0.20	December 15, 2025
	21,033,402		

8. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The Company incurred consulting fees of $108,000 (2022 - $29,500) and $55,520 (2022 - $Nil) to Ken Konkin, the Chief Executive Officer of the Company, for management and supervision of field operations, capitalized to exploration and evaluation assets. At December 31, 2023, the Company owed $12,600 (March 31, 2023 - $19,600) to Ken Konkin.

The Company incurred consulting fees of $27,000 (2022 - $6,000) to Helmut Finger, a director of the Company. At December 31, 2023, the Company owed $3,000 (March 31, 2023 - $6,000) to Helmut Finger.

The Company incurred management, accounting and administrative services, which have been recorded as professional fees, of $63,530 (2022 - $56,360) to an accounting firm of which the Chief Financial Officer, Scott Davis is a partner. At December 31, 2023, the Company owed $5,066 (March 31, 2023 - $9,492) to this accounting firm.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued)

The Company incurred fees of $16,172 (2022 - $31,616) to Natalie Senger, the Vice President Resource Development of the Company. These fees have been capitalized under exploration and evaluation assets and recorded as geological expenditures.

The Company incurred consulting fees of $10,500 (2022 - $Nil) to Jeff Rowe, a director of the Company. At December 31, 2023, the Company owed $1,575 (March 31, 2023 - $Nil) to Jeff Rowe.

The Company incurred rent of $18,729 (2022 - $Nil) to Tudor, a company with common directors. As at December 31, 2023, the Company owed $107,156 (March 31, 2023 - $27,096) to Tudor for expense reimbursements. The amount is unsecured, non-interest bearing with no terms of repayment.

During the period ended December 31, 2023, the Company recognized share-based compensation expense of $Nil (2022 - $1,141,176) for options granted to various officers and directors of the Company.

9. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the Company's flow-through share premium liability.

	Issued in November 2022	Issued in December 2023	Total
Balance at March 31, 2022	$ -	$ -	$ -
Liability incurred on flow-through shares issued	176,095	-	176,095
Settlement of flow-through share premium liability on expenditures incurred	(32,859)	-	(32,859)
Balance at March 31, 2023	143,236	-	143,236
Liability incurred on flow-through shares issued	-	186,700	186,700
Settlement of flow-through share premium liability on expenditures incurred	(143,236)	(1,948)	(145,184)
Balance at December 31, 2023	**$ -**	**$ 184,752**	$ **184,752**

During the period ended December 31, 2023, the Company completed a private placement consisting of 9,335,000 flow-through units at a price of $0.20 per unit for gross proceeds of $1,867,000. A flow-through liability of $186,700 was recognized on the issuance date. As of December 31, 2023, $1,847,520 remains to be spent on qualifying expenditures.

During the year ended March 31, 2023, the Company completed a private placement consisting of 3,521,900 flow-through units at a price of $0.31 per unit for gross proceeds of $1,091,789. A flow-through liability of $176,095 was recognized on the issuance date. As of December 31, 2023, the Company has satisfied all its flow-through obligations arising from this financing.

10. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2023, the Company had cash of $2,162,279 to settle current liabilities of $222,111. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

(b) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. The carrying amount of financial assets represents the maximum credit exposure.

(c) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

(d) Interest rate risk

The Company is not exposed to interest rate risk.

(e) Commodity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold to determine the appropriate course of action to manage this risk.

(a) Fair values

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 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 estimated fair values of other financial instruments, including, cash, receivables, reclamation deposits, accounts payable and accrued liabilities and due to related parties, are equal to their carrying values due to the short-term nature of these instruments.

11. CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets, incur debt, or return capital to shareholders. As at December 31, 2023, the Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period ended December 31, 2023.

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the period ended December 31, 2023, the Company:

- Included $13,500 in exploration and evaluation assets which relates to accounts payable and accrued liabilities.

During the period ended December 31, 2022, the Company:

- The Company included $15,899 in exploration and evaluation assets which relates to accounts payable and accrued liabilities.
- The Company issued 49,847,966 common shares valued at $12,960,471 for the acquisition of the Crown Property (Note 4).
- The Company issued 260,052 finder's warrants with fair value of $30,459.
- The Company recorded $176,095 flow-through share premium liability in relation to a private placement.
- The Company recognized lease obligation and right-of-use assets of $249,587.