ELECTRIC METALS (USA) LIMITED
(formerly Nevada Silver Corporation)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in US Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Electric Metals (USA) Limited (formerly Nevada Silver Corporation):

Opinion

We have audited the consolidated financial statements of Electric Metals (USA) Limited (formerly Nevada Silver Corporation) and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023, December 31, 2022 and January 1, 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years ended December 31, 2023 and 2022 and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023, December 31, 2022 and January 1, 2022 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022 in accordance with IFRS Accounting 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 Consolidated 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 consolidated 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 in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td></td></tr>
<tr><td colspan="2">Assessment of the existence of impairment indicators for exploration and evaluation assets</td></tr>
<tr><td>Refer to note 5</td><td>Our approach to addressing the matter involved the following procedures, among others:</td></tr>
<tr><td>As at December 31, 2023, the carrying amount of the Company's exploration and evaluation assets was $11,698,835.

At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any of the following indicators:
(i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed;
(ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned;
(iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or
(iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount.

No impairment indicators were identified by management as at December 31, 2023.

We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to the exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.</td><td>Evaluating the judgments made by management in determining the presence of impairment indicators, which included the following:

• Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates.
• Read the board of directors' minutes and resolutions and observed evidence supporting the continued and planned exploration expenditures, which included evaluating results of events subsequent to year end.
• Assessed whether available data indicates the potential for commercially viable mineral resources and evaluated the status of agreements relating to future feasibility studies.
• Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Classification of warrants	
Refer to note 3 and 7	Our approach to addressing the matter involved the following procedures, among others:
During the year ended December 31, 2023, the Company completed two non-brokered private placements of units consisting of common shares and common share purchase warrants. Each warrant allows the holder to purchase one common share of the Company at CAD$0.35 per share within a two-year period and includes a cashless option, subject to specific conditions. Management of the Company has classified the warrants as equity based on the guidance under IAS 32, *Financial Instruments: Presentation*. Management applied judgment in concluding that the cashless feature does not affect the classification of the warrant as equity, as the feature is not genuine. Meeting the specific conditions to result in exercise of the warrant using the cashless feature is considered extremely rare, highly abnormal, and very unlikely to occur. We identified this as a key audit matter due to the significant judgment applied by management in assessing the relevant accounting guidance, resulting in a high level of subjectivity in our audit procedures.	Evaluating the judgments made by management in determining the classification of the warrants, which included the following: • Obtained an understanding of the warrants' terms and features by reviewing the warrants certificates. • Assessed management's determination that the cashless feature is not genuine by obtaining evidence of the probability of settlement, which included discussions with management and the Company's Board of Directors. • Evaluated management's analysis of the warrants' classification as equity by reference to relevant accounting standards and interpretations. • Involved professionals with specialized skills and knowledge, who assisted in evaluating the Company's application of the relevant accounting standard on the classification of the warrants. • Assessed the adequacy of the Company's disclosures in the consolidated financial statements related to the judgements applied by management.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 2 d) to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2022, has been restated for the change in presentation currency. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. 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 in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated 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 Anna C. Moreton.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
April 29, 2024

ELECTRIC METALS (USA) LIMITED
(formerly Nevada Silver Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in US Dollars)

As at	Note	December 31, 2023 $	December 31, 2022 $ (Restated – Note 2)	January 1, 2022 $ (Restated – Note 2)
ASSETS				
Current assets				
Cash		1,758,464	125,597	237,867
Short-term investments	**4**	101,627	-	-
Receivables		69,449	49,851	22,878
Prepaid expenses		53,911	48,719	57,926
		1,983,451	224,167	318,671
Deferred share issuance costs	**7**	-	109,933	-
Equipment		3,207	6,893	1,458
Reclamation bonds	**5**	96,343	96,343	-
Exploration and evaluation assets	**5**	11,698,835	6,687,047	4,803,355
Total assets		13,781,836	7,124,383	5,123,484
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	**10**	1,225,711	2,162,774	634,745
Loans from related parties	**6**	83,774	140,535	189,489
		1,309,485	2,303,309	824,234
SHAREHOLDERS' EQUITY				
Share capital	**7**	20,688,915	10,296,217	8,700,057
Share-based payments reserve	**7**	968,315	539,839	479,490
Warrants reserve	**7**	880,938	-	-
Foreign currency translation reserve		(212,947)	(231,684)	(234,983)
Deficit		(9,852,870)	(6,542,985)	(4,645,314)
Total shareholders’ equity		12,472,351	4,061,387	4,299,250
Non-controlling interest	**7**	-	759,687	-
		12,472,351	4,821,074	4,299,250
Total liabilities and shareholders’ equity		13,781,836	7,124,383	5,123,484

Nature of operations and going concern (Note 1)
Subsequent events (Notes 7 and 14)

Approved and authorized for issuance on behalf of the Board of Directors on April 29, 2024

“Brian Savage” Director   “John Kutkevicius” Director

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

ELECTRIC METALS (USA) LIMITED
(formerly Nevada Silver Corporation)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2023 and 2022
(Expressed in US Dollars)

	Note	2023 $	2022 $ (Restated – Note 2)
EXPENSES			
Consulting fees	**10**	434,373	224,619
Depreciation		1,945	1,717
Directors fees	**10**	26,678	104,606
Exploration and evaluation costs		-	3,234
Filing fees		71,294	50,691
Interest and bank charges		15,891	9,735
Marketing		250,465	311,405
Office expenses		239,452	91,381
Professional fees	**10**	838,479	724,039
Rent		21,962	20,975
Salaries and benefits		-	154,705
Share-based compensation	**7, 10**	428,476	60,349
Travel		123,290	167,098
LOSS BEFORE OTHER INCOME (EXPENSE)		(2,452,305)	(1,924,554)
OTHER INCOME (EXPENSES)			
Foreign exchange loss		(72,284)	(3,637)
Interest income		839	149
Loss on disposal of equipment		(3,841)	-
		(75,286)	(3,488)
NET LOSS FOR THE YEAR		(2,527,591)	(1,928,042)
OTHER COMPREHENSIVE INCOME			
ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT (LOSS):			
Exchange difference on translation of foreign operations		18,737	3,299
COMPREHENSIVE LOSS FOR THE YEAR		(2,508,854)	(1,924,743)
NET LOSS ATTRIBUTABLE TO:			
Shareholders of the Company		(2,519,047)	(1,897,671)
Non-controlling interest		(8,544)	(30,371)
		(2,527,591)	(1,928,042)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Shareholders of the Company		(2,500,310)	(1,894,372)
Non-controlling interest		(8,544)	(30,371)
		(2,508,854)	(1,924,743)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.02)	(0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		114,951,443	64,380,636

ELECTRIC METALS (USA) LIMITED
(formerly Nevada Silver Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in US dollars, except for share figures)

	Note	Number of Shares #	Share Capital $	Share-based payments reserve $	Warrants reserve $	Foreign Currency Translation Reserve $	Deficit $	Non-controlling Interest $	Total $
Balance, December 31, 2021 (Restated – Note 2)		65,993,193	8,700,057	479,490	-	(234,983)	(4,645,314)	-	4,299,250
Shares issued pursuant to private placement	**7**	6,670,000	1,575,839	-	-	-	-	-	1,575,839
Shares issued for Belmont project agreement	**5**	118,750	30,000	-	-	-	-	-	30,000
Share issuance costs	**7**	-	(9,679)	-	-	-	-	-	(9,679)
Share-based compensation	**7**	-	-	60,349	-	-	-	-	60,349
Non-controlling interest – NSM financing	**7**	-	-	-	-	-	-	790,058	790,058
Net and comprehensive loss for the year		-	-	-	-	3,299	(1,897,671)	(30,371)	(1,924,743)
Balance, December 31, 2022 (Restated - Note 2)		72,781,943	10,296,217	539,839	-	(231,684)	(6,542,985)	759,687	4,821,074
Shares and warrants issued pursuant to private placements	**7**	47,914,127	6,737,009	-	515,576	-	-	-	7,252,585
Share and warrants issuance costs	**7**	-	(839,043)	-	60,485	-	-	-	(778,558)
Exercise of warrants	**7**	17,552,500	3,453,086	-	(195,458)	-	-	-	3,257,628
Share-based compensation	**7**	-	-	428,476	-	-	-	-	428,476
Units issued for purchase of non-controlling interest	**7**	6,464,113	1,041,646	-	500,335	-	(790,838)	(751,143)	-
Net and comprehensive loss for the year		-	-	-	-	18,737	(2,519,047)	(8,544)	(2,508,854)
Balance, December 31, 2023		**144,712,683**	**20,688,915**	**968,315**	**880,938**	**(212,947)**	**(9,852,870)**	**-**	**12,472,351**

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

ELECTRIC METALS (USA) LIMITED
(formerly Nevada Silver Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in US Dollars)

	Note	2023 $	2022 $ (Restated – Note 2
Operating activities:			
Net loss for the year		(2,508,854)	(1,928,042)
Items not affecting cash:			
Depreciation		1,945	1,717
Loss on disposal of equipment		3,841	-
Accrued interest income		(557)	-
Share-based compensation	**7**	428,476	60,349
Changes in non-cash working capital related to operations:			
Receivables		(19,598)	(26,973)
Prepaid expenses		(5,192)	9,207
Accounts payable and accrued liabilities		(147,189)	210,145
Net cash used in operating activities		(2,247,128)	(1,673,597)
Investing activities:			
Exploration and evaluation assets acquisition and exploration costs	**5**	(5,693,134)	(695,853)
Reclamation bonds		-	(96,343)
Equipment		(2,099)	(7,152)
Purchase of short-term investments	**4**	(102,962)	-
Net cash used in investing activities		(5,798,195)	(799,348)
Financing activities:			
Shares and warrants issued for cash, net of issue costs	**7**	6,474,027	1,566,160
Proceeds from NSM financing	**7**	-	790,058
Warrant exercise proceeds	**7**	3,257,628	-
Loan repayments to related parties	**6**	(55,743)	(37,536)
Net cash provided by financing activities		9,675,912	2,318,682
Foreign exchange effect on cash		2,278	41,993
Increase in cash during the year		1,632,867	(112,270)
Cash – beginning of the year		125,597	237,867
Cash – end of the year		1,758,464	125,597
Income taxes paid		-	-
Interest paid		9,139	1,227

Non-cash transactions (Note 11)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Electric Metals (USA) Limited (formerly Nevada Silver Corporation) ("EML" or the "Company") was incorporated under the Canada Business Corporations Act on March 1, 2018. The Company's head office and registered offices are located at Suite 800, Wildeboer Dellelce Place, 365 Bay Street, Toronto, ON M5V 2H1. The Company's common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "EML". Effective January 2022, the Company obtained approval for trading on the OTCQB and trades on the OTCQB under the ticker symbol "EMUSF". On May 16, 2023, the Company changed its name from Nevada Silver Corporation to Electric Metals (USA) Limited.

These consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At December 31, 2023, the Company had accumulated losses of $9,852,870 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. These conditions indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

b) Basis of presentation

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

(Expressed in US Dollars)

c) Consolidation

These consolidated financial statements include the financial statements of the Company and the following subsidiaries subject to control by the Company:

		Percentage owned	
	Incorporated in	**December 31, 2023**	**December 31, 2022**
Electric Metals (USA) Pty Limited (“EML”)	Australia	100%	100%
Electric Metals (USA) Inc.	USA	100%	100%
North American Silver Corp. (“NAS”)	USA	100%	100%
Centennial Mining Inc.	USA	100%	100%
North Star Manganese Inc. (“NSM”)	USA	100%	90.5%

Control over an entity is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

d) Foreign currencies

Foreign currency translation

The functional currency of the Company is the Canadian Dollar and the presentation currency of the Company is the US Dollar. The functional currency of EML is the Australia dollar (“AUD”), while the functional currency of Electric Metals (USA) Inc., NAS, Centennial Mining Inc. and NSM is the US dollar. Those functional currencies are the currencies of the primary economic environments in which each of the companies operate.

Entities whose functional currencies differ from the presentation currency of the Company are translated into US dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income (loss) and accumulated in foreign currency translation reserve.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in foreign currency translation reserve related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in foreign currency translation reserve related to the subsidiary are reallocated between controlling and non-controlling interests.

Change in presentation currency

On December 31, 2023, the Company changed its presentation currency from Canadian Dollars (“CAD”) to US Dollars (“USD”) to better address the needs of investors. In making this change in presentation currency to US Dollars, the Company followed the guidance in IAS 21 *The Effects of Changes in Foreign Exchange Rates* and has applied the change retrospectively as if the US Dollar had always been the Company’s presentation currency as follows:

- Assets and liabilities have been translated into USD$ at the rate of exchange prevailing at the respective reporting dates;
- The consolidated statements of loss and comprehensive loss were translated at the average exchange rates for the respective reporting periods;
- Equity transactions have been translated at the exchange rate prevailing at the date of the transaction; and
- Exchange differences arising on translation were recorded in the foreign currency translation reserve in shareholders’ equity.

All comparative period amounts included in the consolidated financial statements have been restated for the change in presentation currency.

The following table reconciles the change in the consolidated statement of financial position as at January 1, 2022 from CAD$ to USD$:

As at	January 1, 2022 Previously reported in CAD$	Adjustments	January 1, 2022 Restated to USD$
ASSETS			
Current assets			
Cash	301,568	(63,701)	237,867
Receivables	29,005	(6,127)	22,878
Prepaid expenses	73,439	(15,513)	57,926
	404,012	(85,341)	318,671
Equipment	1,848	(390)	1,458
Exploration and evaluation assets	6,428,291	(1,624,936)	4,803,355
Total assets	6,834,151	(1,710,667)	5,123,484
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	804,731	(169,986)	634,745
Loans from related parties	240,234	(50,745)	189,489
	1,044,965	(220,731)	824,234
SHAREHOLDERS' EQUITY			
Share capital	11,132,159	(2,432,102)	8,700,057
Share-based payments reserve	600,142	(120,652)	479,490
Foreign currency translation reserve	(41,397)	(193,586)	(234,983)
Deficit	(5,901,718)	1,256,404	(4,645,314)
Total shareholders’ equity	5,789,186	(1,489,936)	4,299,250
Total liabilities and shareholders’ equity	6,834,151	(1,710,667)	5,123,484

The following table reconciles the change in the consolidated statement of financial position as at December 31, 2022 from CAD$ to USD$:

As at	**December 31, 2022** Previously reported in CAD$	**Adjustments**	**December 31, 2022** Restated to USD$
ASSETS			
Current assets			
Cash	170,108	(44,511)	125,597
Receivables	67,517	(17,666)	49,851
Prepaid expenses	65,985	(17,266)	48,719
	303,610	(79,443)	224,167
Deferred share issuance costs	148,893	(38,960)	109,933
Equipment	9,338	(2,445)	6,893
Reclamation bonds	130,486	(34,143)	96,343
Exploration and evaluation assets	9,216,374	(2,529,327)	6,687,047
Total assets	9,808,701	(2,684,318)	7,124,383
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	2,929,261	(766,487)	2,162,774
Loans from related parties	190,341	(49,806)	140,535
	3,119,602	(816,293)	2,303,309
SHAREHOLDERS' EQUITY			
Share capital	13,158,869	(2,862,652)	10,296,217
Share-based payments reserve	678,602	(138,763)	539,839
Foreign currency translation reserve	243,440	(475,124)	(231,684)
Deficit	(8,367,649)	1,824,664	(6,542,985)
Total shareholders’ equity	5,713,262	(1,651,875)	4,061,387
Non-controlling interest	975,837	(216,150)	759,687
	6,689,099	(1,868,025)	4,821,074
Total liabilities and shareholders’ equity	9,808,701	(2,684,318)	7,124,383

The following table reconciles the change in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2022 from CAD$ to USD$.

	2022 Previously reported in CAD$	Adjustments	2022 Restated to USD$
EXPENSES			
Consulting fees	292,034	(67,415)	224,619
Depreciation	2,232	(515)	1,717
Directors fees	136,000	(31,394)	104,606
Exploration and evaluation costs	4,103	(869)	3,234
Filing fees	65,904	(15,213)	50,691
Interest and bank charges	12,661	(2,926)	9,735
Marketing	404,927	(93,522)	311,405
Office expenses	118,821	(27,440)	91,381
Rent	27,266	(6,291)	20,975
Professional fees	941,744	(217,705)	724,039
Salary and benefits	201,135	(46,430)	154,705
Share-based compensation	78,460	(18,111)	60,349
Travel	217,296	(50,198)	167,098
LOSS BEFORE OTHER INCOME (EXPENSE)	(2,502,583)	578,029	(1,924,554)
OTHER INCOME (EXPENSES)			
Foreign exchange loss	(4,726)	1,089	(3,637)
Interest income	193	(44)	149
	(4,533)	1,045	(3,488)
NET LOSS FOR THE YEAR	(2,507,116)	579,074	(1,928,042)
OTHER COMPREHENSIVE INCOME			
ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT (LOSS):			
Exchange difference on translation of foreign operations	284,837	(281,538)	3,299
COMPREHENSIVE LOSS FOR THE YEAR	(2,222,279)	297,536	(1,924,743)
NET LOSS ATTRIBUTABLE TO:			
Shareholders of the Company	(2,465,931)	568,260	(1,897,671)
Non-controlling interest	(41,185)	10,814	(30,371)
	(2,507,116)	579,074	(1,928,042)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Shareholders of the Company	(2,178,495)	284,123	(1,894,372)
Non-controlling interest	(43,784)	13,413	(30,371)
	(2,222,279)	297,536	(1,924,743)
NET LOSS PER SHARE – BASIC AND DILUTED	(0.04)		(0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	64,380,636		64,380,636

The following table reconciles the change in the consolidated statement of cash flows for the year ended December 31, 2022 from CAD$ to USD$.

	2022 Previously reported in CAD$	Adjustment	2022 Restated to USD$
Operating activities:			
Net loss for the year	(2,507,116)	579,074	(1,928,042)
Items not affecting cash:			
Depreciation	2,232	(515)	1,717
Share-based compensation	78,460	(18,111)	60,349
Changes in non-cash working capital related to operations:			
Receivables	(38,512)	11,539	(26,973)
Prepaid expenses	7,454	1,753	9,207
Accounts payable and accrued liabilities	822,188	(612,043)	210,145
Net cash used in operating activities	(1,635,294)	(38,303)	(1,673,597)
Investing activities:			
Exploration and evaluation assets acquisition and exploration costs	(893,391)	197,538	(695,853)
Reclamation bonds	(130,486)	34,143	(96,343)
Equipment	(9,722)	2,570	(7,152)
Net cash used in investing activities	(1,033,599)	234,251	(799,348)
Financing activities:			
Shares and warrants issued for cash, net of issue costs	1,988,710	(422,550)	1,566,160
Proceeds from NSM financing	1,017,022	(226,964)	790,058
Loan repayments to related parties	(48,789)	11,253	(37,536)
Net cash provided by financing activities	2,956,943	(638,261)	2,318,682
Foreign exchange effect on cash	(419,510)	461,503	41,993
Increase in cash during the year	(131,460)	19,190	(112,270)
Cash – beginning of the year	301,568	(63,701)	237,867
Cash – end of the year	170,108	(44,511)	125,597

e) Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit or 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 financial asset debt instruments is driven by the Company’s business model for managing those financial assets and the 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 at 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 if the Company has opted to measure them at FVTPL.

Measurement

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 or 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 or 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).

Financial assets at FVTOCI

Investments in equity instruments classified at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

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, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period.

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 credit risk on 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 shall recognize in profit or 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 are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

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

f) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. These direct expenditures include such costs as materials used, surveying, drilling, and payments made to contractors during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

Exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly with a charge to profit or loss.

Impairment reviews for the Company's exploration and evaluation assets are carried out on a project by project basis, with each project representing a single cash generating unit. An impairment review for an exploration and evaluation asset is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the area has expired or will expire in the near future with no expectation of renewal;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the area is neither planned nor budgeted;
- No commercially viable deposits have been discovered, and the decision had been made to discontinue exploration in the area; and
- Sufficient work has been performed to indicate that the carrying amount of the expenditure .

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction." Exploration and evaluation assets are tested for impairment before the assets are transferred.

Exploration and evaluation assets are classified as intangible assets.

g) Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at December 31, 2023 and 2022, the Company has no known material restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets.

h) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Equity-settled common share options and warrants, denominated in the Company's functional currency, issued by the Company are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of closing a financing are recorded as deferred assets. Share issuance costs related to incomplete financing transactions are charged to profit or loss.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company allocates unit offering proceeds between common shares and share purchase warrants using the residual value method, with the common shares being valued first, using quoted market prices, and the balance, if any, allocated to the attached warrants.

Warrants issued to agents or brokers on a non-cash basis in connection with share capital financings are recorded at fair value using the Black-Scholes option pricing model and charged against share capital as issue costs with an offsetting increase to warrants reserve.

i) Earnings (loss) per share

Basic earnings (loss) per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings per share represents the earnings for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of those instruments would not be anti-dilutive. Diluted loss per share is equal to basic loss per share, as the effect of potentially dilutive instruments would be anti-dilutive.

j) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. The expected life used in the valuation model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity-settled share options or warrants are granted to non-employees, they are recorded at the fair value of the goods or services received. Amounts related to the issuance of shares are recorded as a reduction of share capital, amounts related to the acquisition of assets are capitalized to the asset, and current period services are expensed to profit or loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the equity instrument is measured.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount originally reflected in share-based payments reserve is credited to share capital, adjusted for any consideration paid. Upon expiry or forfeiture, the amount reflected in share-based payments reserve is not reclassified to another component of equity.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

For non-cash transactions paid by consideration in the form of the Company's common shares the transaction is measured at the date the Company obtains the goods or the counterparty renders services. Where the fair value of the good or services cannot be estimated reliably, the transaction is measured at the fair value of the common shares by reference to a quoted price.

k) Income tax

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

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

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures 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 reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

l) New financial reporting standards and interpretations:

During the year ended December 31, 2023, the Company adopted the following amendments:

IAS 1 Presentation of Financial Statements

As at January 1, 2023, the Company adopted amendments made to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments in which guidance and examples are provided to help entities apply materiality judgments to accounting policy disclosures. The adoption of this amendment did not have a material impact on the Company's financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

As at January 1, 2023, the Company adopted amendments made to IAS 8 which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. The adoption of this amendment did not have a material impact on the Company's financial statements.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other 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 financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

a) Critical Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Impairment of exploration and evaluation assets
The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

(Expressed in US Dollars)

Classification of warrants that may be cashlessly exercised
The classification of the warrants with a cashless exercise feature requires management judgment as to whether the warrants should be classified as equity or as a liability. The cashless exercise feature of the warrants is subject to specific conditions (Note 7). Management considered the probability of occurrence of the contingent events and concluded that the feature is not genuine as the events are extremely rare, highly abnormal, and very unlikely to occur. The warrants have been classified as equity.

b) Key Sources of Estimation Uncertainty

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company’s assets and liabilities are as follows:

Share-based compensation
The Company measures the value of equity-settled transactions with employees, and with non-employees when the fair value of the goods or services received is not determinable, by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based compensation requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4. SHORT-TERM INVESTMENTS

	$
Balance, December 31, 2021 and 2022	-
Additions	102,962
Interest	557
Foreign exchange	(1,892)
Balance, December 31, 2023	101,627

During the year ended December 31, 2023, the Company invested CAD$57,500 and $57,500 in guaranteed investment certificates as security for corporate credit cards. The guaranteed investment certificates have a maturity date of November 4, 2024, and bear interest at prime-2.7% and 3%, respectively. During the year ended December 31, 2023, the Company earned $557 (2022 - $nil) in interest income related to the guaranteed investment certificates.

5. EXPLORATION AND EVALUATION ASSETS

Emily Manganese Project

NSM has a 100% ownership and management interest in the Emily Manganese Project ("Emily") established through a series of agreements with Cooperative Mineral Resources, LLC ("CMR") and People's Security Company, Inc. ("PSC"), and two private landowners. The CMR and PSC agreements establish two general arrangements related to the use of lands owned by CMR and PSC:

1. a contract mining and sales arrangement between NSM and CMR for the extraction of manganese ores from the property whereby NSM has the exclusive right to mine and purchase the manganese ore; and
2. separate property leases and a manganese processing agreement between NSM, CMR and PSC, where CMR and PSC, will receive as rent for their properties a portion of NSM's net distributed profits from downstream sale of processed advanced materials from any ores mined by NSM from the Area of Interest (AOI).

NSM also has an option to purchase all of CMR's and PSC's mineral and surface assets, including all rights and obligations, for $30,250,000, less any net distributable profits paid by NSM.

In February 2023, NSM signed lease and purchase option agreements with two private landowners in Emily, Minnesota on two adjacent blocks of land covering approximately 77 acres of surface and mineral rights. Pursuant to the lease and purchase option agreements, NSM will pay each of the private landowners an annual fee of $6,000 due on closing and on each anniversary date of the agreement. The annual fee will increase by 3% each anniversary date. NSM can purchase the optioned property by paying $10 (paid) at closing for the option to purchase the land at any time for a mutually agreed market price or a professional appraisal price plus 15%. The land is subject to a 2.5% NSR that can be repurchased for $500,000 for each 1.25%, at any time.

Corcoran Canyon Silver Project

The Company, through its subsidiaries, NAS and Centennial Mining Inc., has a 100% ownership interest in the Corcoran Canyon Silver Project in Nye County, Nevada. The Corcoran Canyon Silver Project comprises 328 contiguous, unpatented mineral claims with an area of approximately 2,674 hectares. Eight of the claims are currently subject to a 2% net smelter return ("NSR") royalty. Any surrounding claims acquired or staked by the Company would also become subject to the 2% NSR royalty, unless those claims are subject to an NSR royalty owed to a third party. All claims are in good standing until August 31, 2024.

Reclamation bonds of $82,660 have been paid towards the Corcoran Canyon Silver Project. The termination of liability under the bonds will be permitted only after it is determined there is no outstanding reclamation liability or until satisfactory replacement bond coverage is furnished. When the deposit is no longer needed to secure the bond, the cash deposit will be refunded.

In November 2023, the Company entered into an option and acquisition agreement (the "Option Agreement") with Altair Resources Inc. ("Altair") pursuant to which Altair may earn a 100% interest in the Corcoran Canyon Silver Project and Belmont Silver Project (collectively, the "Projects") by paying cash, issuing shares and incurring exploration expenditures in the following amounts:

- CAD$440,428 in cash within thirty days of announcing the Option Agreement (unpaid as at December 31, 2023);
- CAD$472,500 in cash, CAD$500,000 in common shares of Altair and CAD$617,072 in project expenditures on or before the first anniversary date;
- $96,343 in cash, CAD$1,500,000 in common shares of Altair and CAD$2,400,000 in project expenditures on or before the second anniversary date;
- CAD$2,000,000 in common shares of Altair and CAD$2,750,000 in project expenditures on or before the third anniversary date; and
- CAD$2,500,000 in common shares of Altair and CAD$3,000,000 in project expenditures on or before the fourth anniversary date.

Altair will have the right to earn a 70% interest in the Projects until the end of the third anniversary of signing the Option Agreement, and a 100% interest in the Projects until the end of the fourth anniversary of signing of the Option Agreement. Furthermore, following the completion of the first anniversary payments, Altair has the option to accelerate the acquisition of the 100% interest in the Projects by forgoing the other required payments and making a onetime payment of CAD$6,000,000 and the required $96,343 payment.

Belmont Silver Project
In September 2021, the Company, through its subsidiary Centennial Mining Inc, filed 124 unpatented mineral claims with an area of approximately 1,034.6 hectares. These staked mineral claims cover two areas of 15 kilometers southwest of the Corcoran Silver-Gold Project and 80 kilometers north-east of Tonopah in Nye County, Nevada.

In February 2022, the Company entered into an option agreement with Summa LLC (the "Original Option Agreement"), pursuant to which the Company has the right to acquire a 100% interest in five patented lode mining claims in Nevada covering approximately 69.88 acres. Under the Original Option Agreement (later amended – see below), the Company has the right to purchase the optioned property for $10,000 per acre, or a total of $700,000. The Company had the option to defer payment for up to five years by paying cash or (at the option of Summa LLC) issuing common shares of the Company on the anniversary dates of the option agreement, or until February 11, 2027 in the following amounts:

- $30,000 in common shares of the Company at a fair value of $0.25 per share on the effective date (issued 118,750 common shares at a fair value of $30,000);
- $35,000 in cash or common shares of the Company at a price per share equal to the 10 day VWAP on the first anniversary date (paid cash of $35,000);

- $40,000 in cash or common shares of the Company at a price per share equal to the 10 day VWAP on the second anniversary date (Altair paid cash of $10,000 for a 60 day extension);
- $45,000 in cash or common shares of the Company at a price per share equal to the 10 day VWAP on the third anniversary date;
- $50,000 in cash or common shares of the Company at a price per share equal to the 10 day VWAP on the fourth anniversary date;
- $700,000 in cash on the fifth anniversary date.

The Company may exercise the option to purchase the optioned property by paying $700,000 at any time.

In April 2022, the Company entered into a Deed of Variation with Summa LLC whereby it was agreed that all future option payments must be in the form of cash and deleted Summa LLC's option to accept deferral payments in the form of common shares of the Company. Subsequent to December 31, 2023, the Company extended the second anniversary date payment by 60 days by making a payment of $10,000.

In May 2022, the Company entered into an option agreement with Bottom Family Trust and Kristina Lynn Boscovich Limon whereby the Company has the right to acquire a 100% interest in one patented lode mining claim in Nevada covering approximately 2.41 acres. Pursuant to the option agreement, the Company can purchase the optioned property for $25,000. The Company has the option to defer payment for up to five years by paying $1,500 cash on the anniversary dates of the option agreement (paid for 2023), or until May 10, 2027, when a $25,000 cash payment is to be made.

In May 2022, the Company entered into an option agreement with HRH Nevada Resources, Ltd. and Trish Rippie Realty, Inc., whereby the Company has the right to acquire a 100% interest in eight patented lode mining claims in Nevada covering approximately 174.04 acres. Pursuant to the option agreement, the Company can purchase the optioned property for $10,000 per acre, or a total of $1,740,400. The Company has the option to defer payment by paying an annual rental fee of $300 per acre. Both the option purchase price and the annual rental fee are each adjusted annually by way of a Silver Price Adjustment as represented by the annual percent (%) increase in the daily price of silver per troy ounce, published by the London Bullion Market Association, with the February 2022 average price being the Beginning Index Price. The annual rental fee shall not be reduced below $300 per acre and the option purchase price shall not be reduced below $10,000 per acre. The Company has paid the annual rental fee for 2022 and 2023.

In the event the Company purchases the optioned property outright, the transfer will be subject to HRH Nevada Resources, Ltd. and Trish Rippie Realty, Inc., each retaining a 1.5% NSR.

All of the properties acquired under the agreements with Summa LLC, Bottom Family Trust and Kristina Lynn Boscovich Limon, and HRH Nevada Resources, Ltd. and Trish Rippie Realty, Inc., are collectively referred to as the "Belmont Silver Project".

(Expressed in US Dollars)

A reclamation bond of $13,683 has been paid towards the Belmont Silver Project. The termination of liability under the bond will be permitted only after it is determined there is no outstanding reclamation liability or until satisfactory replacement bond coverage is furnished. When the deposit is no longer needed to secure the bond, the cash deposit will be refunded.

Summary of Expenditures
Below is a summary of the changes in the exploration and evaluation assets during the years ended December 31, 2023 and 2022:

	Corcoran Canyon Silver Project $	Belmont Silver Project $	Emily Manganese Project $	Total $
Balance, December 31, 2021	**3,530,365**	**39,816**	**1,233,174**	**4,803,355**
Acquisition costs	-	90,269	18,999	109,268
Consulting – Geological	147,817	78,070	201,470	427,357
Consulting – Environmental	192,434	1,321	103,022	296,777
Consulting – Drilling	-	66,763	78,902	145,665
Consulting - Other	76,163	34,045	154,637	264,845
Permitting, sampling, assays and surveys	40,763	87,449	42,104	170,316
Drilling	3,361	390,235	-	393,596
Site visits	37,776	34,092	-	71,868
Staking	-	4,000	-	4,000
Balance, December 31, 2022	**4,028,679**	**826,060**	**1,832,308**	**6,687,047**
Acquisition costs	58,412	110,369	67,891	236,672
Consulting – Geological	(713)	(5,860)	1,012,924	1,006,351
Consulting – Environmental	102,901	-	274,593	377,494
Consulting – Drilling	-	-	20,521	20,521
Consulting - Other	4,265	4,802	163,410	172,477
Permitting, sampling, assays and surveys	947	(19)	267,873	268,801
Drilling	(561)	3,850	2,657,966	2,661,255
Field supplies	-	-	153,952	153,952
Site visits	-	-	114,265	114,265
Balance, December 31, 2023	**4,193,930**	**939,202**	**6,565,703**	**11,698,835**

6. LOANS FROM RELATED PARTIES

During the period from inception on July 24, 2019 to December 31, 2019, the Company incurred director fees of $58,194 and made payments of $39,849, resulting in net balance owing of $18,345 to the CEO of the Company. The indebtedness was non-interest bearing, due on demand, unsecured and had no maturity date. During the year ended December 31, 2020, the Company received additional advances totaling $13,861 from the CEO. During the year ended December 31, 2021, the Company made repayments of $28,136. During the year ended December 31, 2023, the Company made repayments of $7,974. The balance of the indebtedness was $nil as of December 31, 2023 (December 31, 2022 – $7,528).

(Expressed in US Dollars)

On May 25, 2020, the Company entered into a loan agreement with a company owned by the former CEO of the Company. A maximum principal amount of AUD$100,000 is secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA. Any balance owing greater than AUD$100,000 is unsecured. During the year ended December 31, 2022, the Company made repayments of $37,536. During the year ended December 31, 2023, the Company made repayments of $47,769. The loan is non-interest bearing and due on demand. The balance of the loan payable was $83,774 as of December 31, 2023 (December 31, 2022 - $133,007).

	$
Balance, December 31, 2021	189,489
Loan repayments	(37,536)
Foreign exchange	(11,418)
Balance, December 31, 2022	140,535
Loan repayments	(55,743)
Foreign exchange	(1,018)
Balance, December 31, 2023	83,774

7. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and Outstanding – 144,712,683 common shares (2022 – 72,781,943 common shares)

c) Share Issuances

On February 11, 2022, the Company issued 118,750 common shares at a fair value of $30,000 to Summa LLC pursuant to an option payment for the Belmont Silver Project (Note 5).

On February 28, 2022, the Company closed a private placement of 6,670,000 units of the Company for gross proceeds of $1,575,839 (CAD$2,001,000). Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of CAD$0.45 per share for a period of two years. The Company will be entitled to accelerate the warrant expiry date upon notice to the warrant holders should the closing price of the shares of the Company on the TSXV be equal to or greater than CAD$0.80 for ten consecutive trading days. Total share issue costs of $9,679 were incurred in connection with the private placement. Using the residual method, proceeds of $1,575,839 were attributed to common shares and $nil was attributed to warrants.

On August 31, 2022, the Company closed a non-brokered private placement of securities of NSM to provide NSM with interim exploration financing and general working capital ("NSM financing"). NSM issued a total of 3,160,223 shares of NSM at a price of $0.25 per share for aggregate gross proceeds of $790,058. As a result of the NSM financing, the Company's ownership in NSM was reduced from 100% to 90.5%. No fees were payable on the financing.

On January 5, 2023, the Company closed a private placement of common shares and warrants of the Company for gross proceeds of $2,580,345 (CAD$3,499,980). Pursuant to the offering, the Company issued 21,212,000 common shares at a price of CAD$0.15 per share and 21,212,000 warrants at a price of CAD$0.015 per warrant. Each warrant was exercisable to acquire one common share of the Company at a price of CAD$0.25 per share for a period of 24 months from the date of issuance. In the event the volume weighted average trading price of the common shares of the Company on the TSXV was equal to or greater than CAD$0.30 per share for a period of at least twenty consecutive trading days, the Company had the right to accelerate the expiry date of the warrants to a date that was 30 calendar days after notice is given of such acceleration event by ways of news release. Total cash share and warrant issue costs of $371,644 including finder's fees were incurred in connection with the private placement. As of December 31, 2022, $109,933 of the share and warrant issue costs were recorded as deferred share issuance costs on the consolidated statement of financial position. Related parties of the Company purchased 4,098,167 common shares and 4,098,167 warrants. On July 24, 2023, the Company accelerated the expiry date of the warrants to August 24, 2023. As a result, 17,552,500 warrants were exercised for gross proceeds of $3,257,628 (CAD$4,388,125). Related parties of the Company exercised 4,098,167 warrants. The Company also transferred $195,458 from warrants reserve to share capital. The weighted average share price on the date of exercise was CAD$0.27 per share.

The Company also issued an aggregate of 1,394,750 finders warrants (the "Finders Warrants") as part of the January 5, 2023 financing. Each Finders Warrant entitles the holder to acquire one common share of the Company at a price of CAD$0.165 per share for a period of 2 years. The fair value of the Finders Warrants has been estimated to be $116,105 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance CAD$0.195; risk-free interest rate of 4.03%; expected life of 2 years; dividend yield of 0%; forfeiture rate of 0% and annualized volatility of 100%.

The total share and warrant issue costs were $661,583. Based on a proportional allocation of the share and warrant proceeds, $443,408 of the costs were allocated to the common shares and $44,341 of the costs were allocated to the warrants.

On April 4, 2023, the Company completed the acquisition of all of the outstanding securities of NSM (the "NSM Shares") that it did not already hold (the "NSM Share Acquisition"). The NSM Share Acquisition was accomplished pursuant to exchange agreements whereby each holder of NSM Shares agreed to exchange their NSM Shares for units of EML (the "Units") on the basis of 2.04545 Units per NSM Share, with each Unit comprised of one common share and one common share purchase warrant. In aggregate the Company issued 6,464,113 Units to the former NSM Shareholders. Each warrant is exercisable to acquire one common share of the Company at a price of CAD$0.25 per share for a period of 24 months following issuance thereof. The expiry date of the warrants will accelerate in the event the volume weighted average trading price of the shares on the TSXV is equal to or exceeds CAD$0.30 per share for a period of 20 consecutive trading days (an "Acceleration Event"). If an Acceleration Event occurs, the warrants will expire 30 days after notice of such Acceleration Event. Following the NSM Share Acquisition, the Company holds 100% of the outstanding NSM Shares. The fair value of the common shares was determined to be $1,041,646 by reference to the quoted share price at the time of issuance of CAD$0.21. The fair value of the warrants has been estimated to be $500,335 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance CAD$0.21; risk-free interest rate of 3.55%; expected life of 2 years; dividend yield of 0%; forfeiture rate of 0% and annualized volatility of 100%.

On June 16, 2023, the Company closed a non-brokered private placement of 10,744,680 units of the Company for gross proceeds of $1,913,169 (CAD$2,525,000). Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of CAD$0.35 per share for a period of two years. Total share issue costs of $125,391 were incurred in connection with the private placement. Using the residual method, proceeds of $1,913,169 were attributed to common shares with $nil attributed to warrants. Related parties of the Company purchased 10,638,300 units.

On August 28, 2023, the Company closed a non-brokered private placement of 1,702,128 units of the Company for gross proceeds of $292,204 (CAD$400,000). Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of CAD$0.35 per share for a period of two years and may be cashlessly exercised subject to certain conditions. Total share issue costs of $57,766 were incurred in connection with the private placement. Using the residual method, proceeds of $275,425 were attributed to common shares with $18,779 attributed to warrants. A related party of the Company purchased 1,702,128 units.

On October 10, 2023, the Company announced that it has closed the second and final tranche of its previously announced non-brokered financing. Pursuant to the financing, the Company issued a total of 14,255,319 units at a price of CAD$0.235 per unit for gross proceeds of $2,464,866 (CAD$3,350,000). Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of CAD$0.35 per share for a period of two years. The share purchase warrant may be cashlessly exercised subject to certain conditions. Total share issue costs of $71,659 were incurred in connection with the private placement. Using the residual method, proceeds of $2,202,647 and pro-rata portion of $64,036 of transaction costs were attributed to common shares with proceeds of $262,220 and pro-rata portion of $7,623 of transaction costs attributed to warrants. A related party of the Company purchased 14,255,319 units.

d) Stock Options

The Company has established a stock option plan available for directors, officers, employees and consultants, and has authorized a stock option pool equal to 10% of the then outstanding common shares. The Company's practice is to not have an exercise price of each option granted under the plan less than the market price of a common share on the date of the option grant. The vesting terms of the stock options are in the sole discretion of the Board of Directors. Options may be granted for a maximum term of ten years from the date of the grant. After termination of employment, unvested options are forfeited immediately, and vested options expire 90 days subsequent to termination. The Board of Directors administers the stock option plan.

On May 6, 2021, the Company granted an aggregate of 2,100,000 stock options with a fair value of $508,069 to certain directors, officers and consultants of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.33 per share for a 10-year period. The options vested in four equal installments on August 6, 2021, November 6, 2021, February 6, 2022 and May 6, 2022. During the year ended December 31, 2021, 50,000 stock options related to this grant were exercised for total proceeds of $13,079 (CAD$16,500). During the year ended December 31, 2022, 950,000 stock options related to this grant were cancelled due to the resignation of a director and the termination of a consulting agreement. Share-based compensation expense related to these stock options of $nil was recorded during the year ended December 31, 2023 (2022 - $57,122).

On November 26, 2021, the Company granted an aggregate of 300,000 stock options with a fair value of $81,264 to a consultant of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.45 per share for a 10-year period. 20% of the options vested immediately, and the remainder vested in four equal installments on February 26, 2022, May 26, 2022, August 26, 2022 and November 26, 2022. In April 2022, 180,000 unvested stock options were cancelled due to the termination of the consulting agreement. The expiration date of the 120,000 vested stock options were accelerated to June 23, 2022. Share-based compensation expense related to these stock options of $nil was recorded during the year ended December 31, 2023 (2022 – $3,227).

On January 13, 2023, the Company granted an aggregate of 3,150,000 stock options with a fair value of $319,230 to certain directors of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.25 per share for a 5-year period. The stock options vested immediately. Share-based compensation expense related to these stock options of $319,230 was recorded during the year ended December 31, 2023.

On October 12, 2023, the Company granted an aggregate of 1,500,000 stock options with a fair value of $158,584 to a director of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.25 per share for a 5-year period. 1,000,000 of the stock options vested immediately, and 500,000 of the stock options vest in the event that the volume weighted average price of the Company's common shares exceeds CAD$0.50 for any 20 consecutive trading days on the TSXV. Share-based compensation expense related to these stock options of $109,246 was recorded during the year ended December 31, 2023.

(Expressed in US Dollars)

The fair value of the options granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	2023	2022
Stock price (CAD$)	$0.19	-
Exercise price (CAD$)	$0.25	-
Risk-free interest rate	3.40%	-
Expected life	5 years	-
Expected volatility	100%	-
Expected dividend yield	Nil	-
Weighted average fair value	$0.10	-

Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable exploration stage companies.

A summary of stock option activity is as follows:

	Options #	**Weighted average exercise price CAD$**
Balance outstanding, December 31, 2021	2,350,000	0.35
Cancelled	(1,250,000)	0.36
Balance outstanding, December 31, 2022	1,100,000	0.33
Granted	4,650,000	0.25
Balance outstanding and exercisable, December 31, 2023	**5,750,000**	**0.27**

(Expressed in US Dollars)

As at December 31, 2023, the Company had the following options outstanding:

Expiry Date	Exercise Price CAD$	Remaining Life (Years)	Options Outstanding #
January 13, 2028	0.25	4.04	3,150,000
October 12, 2028	0.25	4.79	1,500,000
May 6, 2031	0.33	7.35	1,100,000
			5,750,000

f) Warrants

A summary of warrant activity is as follows:

	Warrants #	**Weighted average exercise price CAD$**
Balance outstanding, December 31, 2021	7,650,962	0.60
Issued	3,335,000	0.45
Balance outstanding, December 31, 2022	10,985,962	0.55
Expired	(11,310,462)	0.49
Exercised	(17,552,500)	0.25
Issued	54,378,240	0.30
Balance outstanding, December 31, 2023	**36,501,240**	**0.34**

As at December 31, 2023, the Company had the following warrants outstanding:

Expiry Date	**Exercise Price CAD$**	**Remaining Life (Years)**	**Warrants Outstanding #**
February 28, 2024[1]	0.45	0.16	3,335,000
April 4, 2025	0.25	1.26	6,464,113
June 19, 2025	0.35	1.47	10,744,680
August 28, 2025	0.35	1.66	1,702,128
October 10, 2025	0.35	1.78	14,255,319
			36,501,240

[1]Subsequent to December 31, 2023, these warrants expired unexercised.

(Expressed in US Dollars)

g) Finders Warrants

A summary of finders warrants activity is as follows:

	Finders warrants #	**Weighted average exercise price CAD$**
Balance outstanding, December 31, 2021 and 2022	256,501	0.60
Expired	(256,501)	0.60
Issued	1,394,750	0.165
Balance outstanding, December 31, 2023	**1,394,750**	**0.165**

As at December 31, 2023, the Company had the following finders warrants outstanding:

Expiry Date	**Exercise Price CAD$**	**Remaining Life (Years)**	**Warrants Outstanding #**
January 5, 2025	0.165	1.02	1,394,750
			1,394,750

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, which was $12,472,351 at December 31, 2023 (2022 - $4,821,074).

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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects. There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any external capital requirements.

9. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash and short-term investments at FVTPL and reclamation bonds, accounts payable and accrued liabilities and loans from related parties at amortized cost.

a) Fair value of financial instruments

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.

As at December 31, 2023, the Company believes that the carrying amounts of accounts payable and accrued liabilities and loans from related parties approximate their fair values because of their relatively short maturity dates or durations. Cash and short-term investments are measured at fair value based on level 1 inputs of the fair value hierarchy. Reclamation bonds are measured at fair value based on level 1 inputs of the fair value hierarchy as they are backed by cash deposits.

b) Management of risks arising from financial instruments

Discussion of risks associated with financial assets and liabilities are detailed below:

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash and short-term investments are held with federally regulated institutions with deposit insurance and the reclamation bonds are paid to US governments. The credit risk related to cash, short-term investments and reclamation bonds is considered minimal. The Company's management of credit risk has not changed materially from that of the prior year.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by monitoring the Company's contractual obligations to anticipate any investing and financing activities. The Company's accounts payable and accrued liabilities and loans from related parties are due within the 12 months. The Company's management of liquidity risk has not changed materially from that of the prior year.

As at December 31, 2023, the Company had a cash balance of $1,758,464 and receivables of $69,449 to settle current liabilities of $1,309,485.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

a) Interest rate risk
Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings that are subject to fluctuations in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash and short-term investments held with federally regulated institutions. The Company is also exposed to the risk of variation in the fair value of financial instruments resulting from fluctuations in interest rates, however the impact is not material.

b) Foreign currency risk
Foreign currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily cash and short-term investments, offset by accounts payable and accrued liabilities and loans from related parties denominated in foreign currencies. The Company primarily spends funds in Australian dollars and US dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the US dollar. In order to reduce the Company's exposure to currency risk, the Company periodically increases or decreases the amount of funds held in foreign currencies.

The Company is exposed to movements in the US dollar against the Australian dollar and Canadian dollar. Sensitivity analysis has been performed to indicate how the profit or loss would have been affected by changes in the US dollar and each of these currencies.

As at December 31, 2023, the Company held cash denominated in Australian dollars of AUD$3,576, accounts payable and accrued liabilities of AUD$60,553 and loans from related parties of AUD$123,096. A 10% strengthening in the Australian dollar relative to the US dollar would result in an increase of approximately $12,000 in the Company's net loss.

As at December 31, 2023, the Company held cash denominated in Canadian dollars of CAD$643,602, short-term investments of CAD$57,896 and accounts payable and accrued liabilities of CAD$207,247. A 10% strengthening in the Canadian dollar relative to the US dollar would result in a decrease of approximately $49,000 in the Company's net loss.

(Expressed in US Dollars)

c) Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals and high-purity manganese product prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

10. RELATED PARTY TRANSACTIONS

Related party transactions are comprised of services rendered by key management personnel of the Company or by a company with a director and/or officer in common.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

The Company incurred charges to Directors and Officers, or to companies associated with these individuals, during the years ended December 31, 2023 and 2022:

	Note	2023 $	2022 $
Directors fees		26,678	104,606
Consulting fees		420,658	181,829
Capitalized exploration and evaluation asset expenditures	5	60,593	79,660
Professional fees		229,325	213,423
Share issue costs	**7**	113,413	-
Share-based compensation	**7**	428,476	50,322
		1,279,143	629,840

The amounts due to related parties at December 31, 2023 are $353,998 (2022 - $568,547) owing to directors of the Company and a company in which the CFO of the Company is a shareholder. The amounts due to related parties are included in accounts payable and accrued liabilities.

During the year ended December 31, 2023, the Company was charged $145,691 (2022 - $147,654) by a legal partnership of which one of its partners is a director of the Company. As at December 31, 2023, the Company has recorded deferred share issuance costs of $nil (December 31, 2022 - $109,933) charged by a legal partnership of which one of its partners is a director of the Company. During the year ended December 31, 2023, the Company was charged $113,413 (2022 - $nil) in share issue costs by a legal partnership of which one of its partners is a director of the Company.

On May 3, 2021, the Company entered into a consulting agreement with a company owned by the former CEO of the Company for annual fees of CAD$240,000 which shall continue indefinitely unless terminated by either party. If the agreement is terminated without cause or due to a change in control, the Company shall pay a lump sum payment equal to one month of the annual fees at the time of termination for every year of service provided under the consulting agreement, with a minimum of 6 months and a maximum of 18 months. The company owned by the former CEO of the Company shall be entitled to terminate the agreement at any time by giving three months written notice to the Board. Subsequent to December 31, 2023, the consulting agreement was terminated and the Company entered into a separation agreement with the company owned by the former CEO of the Company for a lump sum payment of CAD$149,200 paid in cash.

On May 3, 2021, the Company entered into a consulting agreement with a company owned by a former officer of the Company for annual fees of CAD$150,000 which shall continue indefinitely unless terminated by either party. If the agreement is terminated without cause or due to a change in control, the Company shall pay a lump sum payment equal to one month of the annual fees at the time of termination for every year of service provided under the consulting agreement, with a minimum of 3 months and a maximum of 12 months. The company owned by the former officer of the Company shall be entitled to terminate the agreement at any time by giving three months written notice to the Board. Subsequent to December 31, 2023, the Company terminated the consulting agreement without cause for a lump sum payment of CAD$37,500 payable in cash.

Other related party transactions are disclosed in Note 6 and Note 7.

11. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows.

During the year ended December 31, 2023, the following transactions were excluded from the consolidated statement of cash flows:

- the Company issued 1,394,750 finders warrants as finder’s fees at a fair value of $116,105 (Note 7);
- the Company issued 6,464,113 Units to the former NSM Shareholders at a fair value of $1,541,981 (Note 7); and
- capitalized exploration and evaluation costs of $476,493 included in accounts payable and accrued liabilities as of December 31, 2023.

During the year ended December 31, 2022, the following transactions were excluded from the consolidated statement of cash flows:

- the Company issued 118,750 common shares as acquisition costs at a fair value of $30,000 (Note 5); and

(Expressed in US Dollars)

- capitalized exploration and evaluation costs of $1,157,839 included in accounts payable and accrued liabilities as of December 31, 2022.

12. INCOME TAXES

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

	Year Ended December 31, 2023	Year Ended December 31, 2022
Statutory tax rate	**26.5%**	**26.5%**
	$	**$**
Loss before income taxes	(2,527,591)	(1,928,042)
Expected income tax expense at statutory rate	(669,812)	(510,931)
Difference in tax rates and foreign exchange	45,508	52,559
Tax effect of non-deductible expenses	(50,928)	25,458
Deferred tax expense from temporary difference	(204,616)	(2,405)
Deferred tax asset not recognized	879,848	435,319
Income tax recovery	-	-

The significant components of the Company's deferred income tax assets as at December 31, 2023 and 2022 are as follows:

	2023 $	2022 $
Carried forward tax losses	1,698,248	967,071
Financing and share issuance costs	188,210	39,539
Unrecognized deferred tax assets	(1,886,458)	(1,006,610)
Net deferred tax asset	-	-

As at December 31, 2023, the Company has tax losses in Australia of approximately $750,000, tax losses in Canada of approximately $3,792,000 and tax losses in USA of approximately of $2,409,000. The tax losses in Australia may be carried forward indefinitely, the tax losses in Canada may be carried forward to 2041-2043 and the tax losses in the USA may be carried forward indefinitely and applied against future assessable income. Deferred tax benefits, which may arise as a result of these losses have not been recognized in these consolidated financial statements.

(Expressed in US Dollars)

13. SEGMENT INFORMATION

During the year ended December 31, 2023, the Company had one reportable operating segment, being the acquisition and exploration of interests in mineral properties. The Company has operations located in three geographical segments, Canada, USA and Australia. Geographic information is as follows:

	Total non-current assets as at December 31, 2023 $	Total non-current assets as at December 31, 2022 $
USA	11,798,385	6,900,216
Total non-current assets	11,798,385	6,900,216

	Loss for the year ended December 31, 2023 $	Loss for the year ended December 31, 2022 $
Canada	1,472,153	1,303,485
USA	1,025,786	573,000
Australia	38,553	51,557
Total net loss	2,536,492	1,928,042

14. SUBSEQUENT EVENT

In February 2024, the Company entered into a consulting agreement with a company owned by a director and CEO of the Company for monthly fees of $20,000 with an initial term of one year which is automatically renewable for subsequent one year terms unless terminated earlier by either party. If the Company completes one or more equity or debt financings for aggregate net proceeds of at least $5,000,000, then, commencing on the month immediately following, the monthly fee shall automatically increase to $30,000. As further consideration, the Company shall grant to the director and CEO of the Company, 5,000,000 share options which vest in accordance with certain vesting criteria. If the Company completes one or more equity or debt financings for aggregate net proceeds of at least $5,000,000, the Company shall grant to the director and CEO of the Company an additional 2,000,000 share options which vest in accordance with certain vesting criteria.