FIREWEED METALS CORP.

(An Exploration Stage Company)

(Expressed in Canadian Dollars)

Consolidated Financial Statements

December 31, 2023 and 2022

Index

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fireweed Metals Corp.

Opinion

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates the Company had an accumulated deficit of $80,489,238, current assets of $19,865,477 to settle current liabilities of $5,894,581, leaving the Company with a working capital of $13,970,896 however additional financing will be required to carry out additional exploration and development of its properties. As stated in Note 1, these factors indicate the existence of 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 of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, 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, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 4 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $17,361,564 as of December 31, 2023. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 year ended 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 Zachary Faure.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 25, 2024

FIREWEED METALS CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at

	Note(s)	December 31, 2023 $	December 31, 2022 $
Assets			
Current assets:			
Cash and cash equivalents		19,224,378	39,885,979
Receivables		283,021	140,078
Prepaid expenses		358,078	174,133
		19,865,477	40,200,190
Equipment and right of use assets	5	2,194,203	159,294
Reclamation bond		39,596	39,596
Deposit for Mactung	4	-	1,500,000
Exploration and evaluation assets	4	17,361,564	12,712,865
		39,460,840	54,611,945
Current liabilities:			
Accounts payable and accrued liabilities	6,13	2,229,756	1,369,518
Lease liability, short-term	7	442,621	-
Purchase obligation	4	3,182,204	-
Short-term loan payable	8	40,000	40,000
		5,894,581	1,409,518
Flow-through premium liability	9	103,871	3,658,182
Lease liability, long-term	7	314,276	-
Rehabilitation provisions	10	589,088	383,180
		6,901,816	5,450,880
Shareholders' equity:			
Capital stock	11	108,033,387	93,379,425
Options reserve	11	4,831,622	2,655,682
Warrants reserve	11	183,253	351,145
Deficit		(80,489,238)	(47,225,187)
		32,559,024	49,161,065
		39,460,840	54,611,945

Nature and continuance of operations (Note 1)
Commitment (Note 17)
Subsequent events (Note 18)

On behalf of the Board:

"Brandon Macdonald" Director *"Adrian Rothwell"* Director

FIREWEED METALS CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the years ended

	Note(s)	December 31, 2023 $	December 31, 2022 $
Expenses			
Consulting and management	13	2,414,778	1,888,226
Depreciation	5	449,854	40,501
Director and committee fees	13	189,835	156,449
Exploration and evaluation	4	32,704,602	12,356,609
Investor relations and corporate development	13	1,261,872	736,613
Interest expense	7	73,324	-
Professional fees		262,589	128,477
Property investigation	4	452,302	300,420
Share-based compensation	11,13	2,292,262	730,261
Transfer agent & filing fees		227,129	104,641
General & administrative		1,073,928	330,906
		(41,402,475)	(16,773,103)
Accretion on rehabilitation provision	10	(10,960)	(5,236)
Amortization of flow-through liability	9	6,856,038	2,930,639
Finance expense on purchase obligation	4	(229,357)	-
Foreign exchange		(20,693)	6,151
Interest income		1,543,396	306,148
Loss and comprehensive loss for the year		**(33,264,051)**	**(13,535,401)**
Loss per share – basic and diluted		(0.24)	(0.15)
Weighted average number of common shares outstanding – basic and diluted		138,554,039	88,315,215

FIREWEED METALS CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended

	December 31, 2023 $	December 31, 2022 $
OPERATING ACTIVITIES		
Loss for the year	(33,264,051)	(13,535,401)
Adjustment for items not affecting cash:		
Amortization of flow-through liability	(6,856,038)	(2,930,639)
Accretion on rehabilitation provision	10,960	5,236
Depreciation	449,854	40,501
Finance expense on purchase obligation	229,357	-
Share-based compensation	2,292,262	730,261
Interest on lease obligations	72,708	-
Change in non-cash working capital items:		
Receivables	(142,943)	200,765
Prepaid expenses	(183,946)	39,611
Accounts payable and accrued liabilities	886,681	470,738
	(36,505,156)	**(14,978,928)**
INVESTING ACTIVITIES		
Acquisition of equipment	(1,416,245)	(30,830)
Exploration and evaluation assets	(904)	(307,752)
Deposit for Mactung project	-	(1,500,000)
	(1,417,149)	**(1,838,582)**
FINANCING ACTIVITIES		
Proceeds from share issuance	16,800,000	48,556,231
Share issue costs	(146,137)	(575,216)
Proceeds from warrants exercised	894,723	411,500
Proceeds from options exercised	94,340	131,141
Lease payments	(382,222)	-
	17,260,704	**48,523,656**
Increase (decrease) in cash	(20,661,601)	31,706,146
Cash and cash equivalents, beginning of the year	**39,885,979**	**8,179,833**
Cash and cash equivalents, end of the year	**19,224,378**	**39,885,979**
Cash	18,164,378	39,985,979
Cash equivalents	1,060,000	-
	19,224,378	**39,985,979**
Supplemental disclosures with respect to cash flows:		
Non-cash investing and financing activities:		
Share issuance costs allocated to flow-through premium	23,272	28,550
Share issuance costs included in accounts payable	-	28,550
Change in rehabilitation provision	194,948	11,676
Fair value of shares issued for property	-	305,000
Fair value of exercised options	116,322	308,866
Fair value of exercised finders' warrants	188,904	15,742
Flow through premium liability	3,325,000	5,579,100
Fair value of finders warrants	21,012	194,700
Acquisition of equipment included in accounts payable	2,107	-
Right of use assets recognized	1,066,411	-

(Expressed in Canadian Dollars)

	Notes	Shares #	Capital Stock Amount $	Warrants reserve $	Options reserve $	Deficit $	Total $
Balance at December 31, 2021		**74,897,032**	**50,028,511**	**172,187**	**2,234,287**	**(33,689,786)**	**18,745,199**
Shares issued for resource property	11	500,000	305,000	-	-	-	305,000
Shares issued in private placement	11	40,535,186	29,657,151	-	-	-	29,657,151
Flow-through shares issued in private placement	11	11,972,818	11,339,080	-	-	-	11,339,080
Charity flow-through shares issued in private placement	10	6,300,000	7,560,000	-	-	-	7,560,000
Flow-through premium	10	-	(5,579,100)	-	-	-	(5,579,100)
Share issue costs	11	-	(798,466)	194,700	-	-	(603,766)
Share-based compensation	11	-	-	-	730,261	-	730,261
Options exercised	11	790,000	720,366	-	(308,866)	-	411,500
Warrant exercised	11	196,963	146,883	(15,742)	-	-	131,141
Loss for the year	11	-	-	-	-	(13,535,401)	(13,535,401)
Balance at December 31, 2022		**135,191,999**	**93,379,425**	**351,145**	**2,655,682**	**(47,225,187)**	**49,161,065**
Shares issued in private placement	11	8,750,000	16,800,000	-	-	-	16,800,000
Flow-through premium		-	(3,325,000)	-	-	-	(3,325,000)
Share issuance costs	11	-	(115,327)	21,012	-	-	(94,315)
Share-based compensation	11	-	-	-	2,292,262	-	2,292,262
Options exercised	11	199,522	210,662	-	(116,322)	-	94,340
Warrants exercised	11	1,304,279	1,083,627	(188,904)	-	-	894,723
Loss for the year		-	-	-	-	(33,264,051)	(33,264,051)
Balance at December 31, 2023		**145,445,800**	**108,033,387**	**183,253**	**4,831,622**	**(80,489,238)**	**32,559,024**

1. Nature and Continuance of Operations

Fireweed Metals Corp. (the “Company”) was incorporated under the Business Corporations Act of the Yukon in Canada on October 20, 2015. The Company is a mineral exploration and development company and is engaged in the acquisition and exploration of mineral assets. At December 31, 2023, the Company had three projects in northern Canada, the Macmillan Pass Project (Yukon), the Mactung Project (Yukon/NWT) and the Gayna River Zinc Project (NWT). The Company is listed on the TSX Venture Exchange and trades under the symbol FWZ in Canada, and on the OTCQB Venture Market under the symbol FWEDF in the USA.

The Company’s head office and principal address is Suite 1020 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The registered and records office is 3081 3rd Avenue, Whitehorse, Yukon, Canada Y1A 4Z7.

The Company’s ability to continue operations is not assured and is dependent upon the ability to obtain necessary financing to meet its liabilities and commitments as they become due, and the ability to generate future profitable production or operations or obtain sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As at December 31, 2023, the Company had an accumulated deficit of $80,489,238, current assets of $19,865,477 to settle current liabilities of $5,894,581, leaving the Company with a working capital of $13,970,896. However, additional financing will be required to carry out additional exploration and development of its properties. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The consolidated financial statements for the year ended December 31, 2023, have been prepared by management, reviewed by the Audit Committee and authorized for issue by the Board of Directors on April 25, 2024.

2. Basis of Presentation and Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board in effect at December 31, 2023.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. Material Accounting Policies

a) Principles of consolidation

These consolidated financial statements include the financial statements of Fireweed Metals Corp. and its wholly owned subsidiaries Macmillan Mining Corp. and Gayna River Minerals Ltd., incorporated in British Columbia.

b) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

c) Financial instruments

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

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 fair value through other comprehensive income (“FVTOCI”).

Fair value through profit or loss (“FVTPL”) – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise.

Fair value through other comprehensive income (“FVTOCI”) - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income or loss. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The following table shows the classification of the Company’s financial instruments:

Financial instrument	Classification
Cash and cash equivalents	Financial asset measured at amortized cost
Receivables	Financial asset measured at amortized cost
Reclamation bond	Financial asset measured at amortized cost
Loan payable	Financial liability measured at amortized cost
Purchase obligation	Financial liability measured at amortized cost
Accounts payable and accrued liabilities	Financial liability measured at amortized cost

Financial liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

d) Exploration and evaluation assets

Before legal rights to explore a property have been acquired, costs are expensed as incurred. Costs related to the acquisition of exploration and evaluation assets are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value. Costs related to the exploration and evaluation of mineral properties are recognized in profit or loss as incurred.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral interest. If payments received exceed the capitalized cost of the mineral interest, the excess is recognized as income in the year received and allocated against exploration expenses. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain permits and the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

e) Rehabilitation provision

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as accretion of rehabilitation provision.

f) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

The major categories of equipment are depreciated as follows: Computer Hardware – 45% declining balance, Exploration Equipment – 20% declining balance, Vehicles – 30% declining balance, Office Equipment, 20% declining balance.

g) Share-based compensation

The Company's stock option plan allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in options reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of goods or services received.

h) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

i) Leases

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the aggregate lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

j) Loss per share

Basic loss per common share is calculated by dividing net loss available to common shareholders by the weighted-average number of shares outstanding during the year. The effect of dilutive stock options warrants and similar instruments on loss per share is recognized on the use of the proceeds that could be obtained upon these and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Diluted loss per share value excludes all dilutive potential common shares if their effect is anti-dilutive.

k) Critical accounting estimates, judgments, and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

Critical accounting judgment

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company as discussed in Note 1.

The preparation of these consolidated financial statements requires making judgments that affect the amounts reported. The most significant accounting judgements that management has made relate to exploration and evaluation assets and potential indicators for impairment. Management makes judgements in reviewing exploration and evaluation assets for indicators of impairment. Management considers, among other things, whether or not (i) the period for which the Company has the right to explore in the specific area has expired during the period 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) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. In considering these factors, management did not identify any impairment indicators for the year-ended December 31, 2023.

Key sources of estimation uncertainty

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets do not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves.
Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options 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 option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the years ended December 31, 2023 and 2022 are disclosed in Note 11.

Rehabilitation provision

The calculation of the asset retirement obligation involves significant measurement estimates and assumptions of the amount and timing of reclamation costs and applicable inputs used in the calculation, such as inflation and discount rates. The Company bases its estimates on historical experience, government regulations and assumptions that are believed to be reasonable given the scope of the exploration project. Refer to Note 10 for more details.

l) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they revert, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

m) Contingent consideration

Contingent consideration from an asset acquisition is recognized when: (i) the conditions associated with the contingency are met; (ii) the Company has a present legal or constructive obligation that can be estimated reliably; and (iii) and it is probable that an outflow of economic benefits will be required to settle the obligation.

n) Capital stock

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issuance of common shares and stock options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the date the shares are issued. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

The Company may from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company separates the flow-through common share into i) a flow-through common share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) capital stock. When the resource property expenditures are incurred, the Company derecognizes the liability and recognized as amortization of flow-through liability.

o) New and revised accounting standards and interpretations.

Amendments to IAS 1

The Company adopted the amendments to IAS 1, *Presentation of Financial Statements (IAS 1)*, on January 1, 2023, with prospective application. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. The adoption of these amendments has been reflected in the accounting policies disclosed.

The amendment to IAS 1 on classification of liabilities as current or non-current is effective January 1, 2024, and the Company does not expect the adoption of this amendment will have a significant impact on the consolidated financial statements.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets and Expenditures

Exploration and Evaluation Assets

Exploration & Evaluation Assets	MacMillan Pass $	Gayna River $	Mactung $	Total $
Acquisition and maintenance costs:				
Balance, December 31, 2021	**12,088,437**	**-**	**-**	**12,088,437**
Change in rehabilitation provision	11,676	-	-	11,676
Cash payments	250,000	57,752	-	307,752
Shares issued	305,000	-	-	305,000
Balance, December 31, 2022	**12,655,113**	**57,752**	**-**	**12,712,865**
Change in rehabilitation provision	149,310	-	-	149,310
Initial recognition of rehabilitation provision	-	-	45,638	45,638
Cash payments	-	-	904	904
Transfer of deposit	-	-	1,500,000	1,500,000
Purchase obligation	-	-	2,952,847	2,952,847
Balance, December 31, 2023	**12,804,423**	**57,752**	**4,499,389**	**17,361,564**
Exploration & Evaluation Expenditures				
Assaying	217,083	1,448	-	218,531
Camp and field	4,247,633	1,245	-	4,248,878
Drilling	4,982,403	-	-	4,982,403
Engineering	290,446	-	-	290,446
Exploration Contracting	257,130	325,612	-	582,742
Geological Consulting	801,137	39,179	-	840,316
Insurance and other	4,690	-	-	4,690
Permitting, Environment, Social	987,212	-	-	987,212
Reporting	76,831	438	-	77,269
Travel & Support	122,782	1,340	-	124,122
Balance, December 31, 2022	**11,987,347**	**369,262**	**-**	**12,356,609**
Assaying	1,025,558	-	108,416	1,133,974
Camp and field	12,556,967	1,350	210,705	12,769,022
Drilling	12,813,464	-	220,487	13,033,951
Engineering	254,856	-	381,429	636,285
Exploration Contracting	(151,816)	267,248	-	115,432
Geological Consulting	1,107,579	195,149	111,137	1,413,865
Insurance and other	188,135	-	-	188,135
Permitting, Environment, Social	3,177,084	300	159,196	3,336,580
Reporting	48,594	-	-	48,594
Travel & Support	28,764	-	-	28,764
Balance, December 31, 2023	**31,049,185**	**464,047**	**1,191,370**	**32,704,602**

Macmillan Pass Project, Yukon, Canada

Summary of Property Acquisitions and Royalties

The Property comprises multiple claim blocks that were acquired and consolidated over several years by Fireweed into the current Macmillan Pass property. Summaries of the underlying claim blocks/properties and royalties are described below.

(Expressed in Canadian Dollars)

Fireweed holds 100% interest in various claims comprising the Tom and Jason property. The Jason claims have a third party underlying 3% net smelter return royalty ("NSR") which can be bought out at any time for 1.5% for $1,250,000 and 1.5% for $4,000,000. There are no underlying royalties on the Tom claims.
Fireweed holds 100% interest in various claims comprising the Nidd property. The claims are subject to a 1% NSR royalty and a right of first offer to purchase future production concentrates from the Nidd property.

Fireweed holds 100% interest in various claims comprising the Mac property. These claims are subject to a production royalty of 0.25% NSR on base metals and other non-precious minerals, 1% NSR on silver and other precious metals excluding gold, and 3% NSR on gold produced.

Fireweed holds 100% interest in the MC, MP and Jerry claims. These claims are subject to production royalties of 0.5% NSR on base metals and silver, and 2% NSR on all other metals including gold produced from the MC, MP and Jerry claims. The vendors are entitled to one additional payment of $750,000 or equivalent in Fireweed shares at the Company's option, upon receiving a resource calculation of at least 2.0 million tonnes of indicated (or better) resource on any part of the MC, MP or Jerry claims. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims.

Fireweed holds 100% interest in the BR claims and NS claims. These claims are subject to production royalties of 0.5% NSR on base metals and silver, and 2% NSR on all other metals including gold produced from the BR and NS claims. The vendors are entitled to one additional payment of $750,000 or equivalent in Fireweed shares at the Company's option, upon receiving a resource calculation of at least 2.0 million tonnes of indicated (or better) resource on any part of the BR or NS claims. Fireweed will have the right to purchase one-half of these NSR royalties for $2,000,000 at any time prior to the commencement of commercial production. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims by Golden Ridge. There is also a pre-exiting third party 3% NSR royalty on any future cobalt production from the BR and NS claims.

Fireweed holds 100% interest in various claims comprising the Sol property. The claims are subject to a 0.5% NSR on all base metals and silver and a 2% NSR on all other metals including gold, which may be mined from the property. There is an additional private third-party royalty consisting of a 2% NSR on production from the Sol Property, of which 1% may be extinguished for $2,000,000.

On January 13, 2022, the Company exercised its option and acquired 100% interest in various claims comprising the Oro property. Payment terms to exercise the option were as follows:

Due Date	Cash	Common Shares
On or before January 18, 2021	$250,000 (paid)	500,000 (issued)
On or before January 13, 2022	$250,000 (paid)	500,000 (issued)
TOTAL	**$500,000**	**1,000,000**

The property is subject to a 0.5% NSR on all base metals and silver and a 2% NSR on all other metals including gold, which may be mined from the Oro property.

Mactung Project, Yukon/NWT, Canada

On June 7, 2022, Fireweed signed a binding Letter of Intent to purchase the Mactung Project. On May 3, 2023, the Company and the Government of the Northwest Territories ("GNWT") finalized an assignment and assumption agreement (the "Agreement") for the purchase of the Mactung Project.

Summary of Mactung Acquisition Terms

Under the terms of the Agreement, GNWT will sell the Mactung Project to Fireweed for a total purchase price of $15,000,000 staged as follows:

1. $1,500,000 upon execution of the binding LOI (paid);
2. $3,500,000 within 18 months upon finalization of the definitive agreement (payable).

(Expressed in Canadian Dollars)

3. $5,000,000 upon Fireweed announcing its intention to construct a mine on either the Mactung Project or any portion of the mineral property interests controlled by Fireweed in the Yukon, commonly known as the Macmillan Pass Project; and
4. $5,000,000 upon Fireweed announcing its intention to construct a mine on the Mactung Project.

Contingent payments related to performance milestones were not included in the purchase price (Note 3).

On the acquisition date, the Company has discounted the $3,500,000 purchase obligation using a 12% annual discount rate to $2,952,847, and during the year ended December 31, 2023, the Company recorded $229,357 to finance expense on purchase obligation.

On May 23, 2023, ownership of the Mactung Project assets was transferred to the Company and is considered the acquisition date for accounting purposes. All expenses incurred on the Mactung Project up to May 23, 2023 have been recorded as property investigation costs. During the year ended December 31, 2023 the Company recorded $452,302 (2022 - $nil) in property investigation costs related to the Mactung Project.

Mactung carries an existing NSR Royalty of 4% which is held by a third party, 2% of which can be purchased at any time for $2.5M.

Gayna River Project, NWT, Canada

On May 10, 2022, Fireweed staked the various claims comprising the Gayna River Project at a cost of $57,752.

5. Equipment and Right of Use Assets

	Construction in process - Water Well	Exploration Equipment	Computer Hardware	Vehicles (Trucks)	Office Equipment	ROU Camp Equipment	ROU other	Total
Cost	$	$	$	$	$	$	$	$
As at December 31, 2021	-	132,696	6,706	107,940	-	-		247,342
Additions	-	-	7,559	-	23,271	-		30,830
As at December 31, 2022	-	132,696	14,265	107,940	23,271	-		278,172
Additions	404,204	987,007	27,141	-	-	294,243	772,168	2,484,763
As at December 31, 2023	**404,204**	**1,119,703**	**41,406**	**107,940**	**23,271**	**294,243**	**772,168**	**2,762,935**
Accumulated Depreciation								
As at December 31, 2021	-	(37,303)	(3,488)	(37,586)	-	-	-	(78,377)
Depreciation expense	-	(17,695)	(2,794)	(18,848)	(1,164)	-	-	(40,501)
As at December 31, 2022	-	(54,998)	(6,282)	(56,434)	(1,164)	-	-	(118,878)
Depreciation expense	-	(100,182)	(9,437)	(13,799)	(4,101)	(32,772)	(289,563)	(449,854)
As at December 31, 2023	**-**	**(155,180)**	**(15,719)**	**(70,233)**	**(5,265)**	**(32,772)**	**(289,563)**	**(568,732)**
Net book value								
As at December 31, 2022	-	77,698	7,983	51,506	22,107	-		159,294
As at December, 2023	**404,204**	**964,523**	**25,687**	**37,707**	**18,006**	**261,471**	**482,605**	**2,194,203**

During the year ended December 31, 2023, the Company entered into a lease agreement for camp equipment. The leased equipment has been recorded as a Right of Use asset (“ROU” asset) and is amortized over the life of the lease (Note 7). As at December 31, 2023, the Company had incurred $404,204 in costs related to the construction of a water well at the Macmillan Pass Project, the water well is not in use and therefore no amortization has been taken.

(Expressed in Canadian Dollars)

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities mainly consist of payables to management and to vendors for work completed on the Company's projects as well as accrual of professional and director fees. The breakdown of accounts payable and accrued liabilities are as follows:

	December 31, 2023 $	December 31, 2022 $
Payable to related parties (Note 13)	341,521	369,082
Trade payables	1,888,235	1,000,436
Total Accounts Payable and Accrued Liabilities	**2,229,756**	**1,369,518**

7. Lease Liability

On April 15, 2023, the Company entered into a camp equipment lease agreement with a 60-month term and monthly payments of $42,469 for the first 24 months and $6,480 for the remaining 36 months. The lease consisted of two separate lease components, with the first being durable camp equipment with a life of 60 months and the second being other camp assets with an expected life of 24 months. The other camp assets have a purchase option of $1 at the conclusion of the 24-month lease period and the durable camp equipment has a purchase option of $75,765 at the conclusion of the 60-month lease period.

At the date of recognition, the lease liabilities were measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an annual interest rate of 12% respectively. The continuity of the lease liabilities is presented in the table below:

	December 31, 2023	December 31, 2022
	$	$
Balance, beginning of year	-	-
Additions	1,066,411	-
Lease payments	(382,222)	-
Interest expense	72,708	-
	756,897	-
Less: current portion of lease liability	(442,621)	-
Non-current portion of lease liability	**314,276**	**-**

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

	December 31, 2023 $
Less than 1 year	509,630
1 to 5 years	360,705
5+ years	-
Total minimum lease payments	870,335
Less imputed interest	(113,438)
Total lease obligation	756,897
Current portion of lease obligation	(442,621)
Non-current portion of lease liability	314,276

(Expressed in Canadian Dollars)

8. Loan Payable

In May 2020, the Company secured a $40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account ("CEBA") under the Government of Canada COVID-19 relief program.

Terms of the CEBA agreement:

i. The CEBA funds are intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance,

ii. There was a balance outstanding after December 31, 2020, the remaining outstanding amount was converted into a 2-year interest-free term loan effective January 1st, 2021,

iii. If $30,000 is repaid by January 18, 2024, $10,000 of the operating line will be forgiven (paid Jan 10, 2024),

iv. On January 18, 2024, the Company may choose to exercise an option to extend the term loan for another 3 years at the rate of 5% per annum on any balance remaining.

9. Flow-Through Premium Liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances:

	$
Balance at December 31, 2021	**1,009,721**
Liability incurred on flow-through shares issued	5,669,195
Flow-through issuance costs	(90,095)
Settlement of flow-through liability on incurred expenditures	(2,930,639)
Balance at December 31, 2022	**3,658,182**
Liability incurred on flow-through shares issued	3,325,000
Flow-through issuance costs	(23,273)
Settlement of flow-through liability on incurred expenditures	(6,856,038)
Balance at December 31, 2023	**103,871**

During the year ended December 31, 2023, the Company incurred flow-through expenditures of $28,606,450, therefore $6,960,708 of flow-through premium and $104,670 of flow-through related share issuance costs were recognized on the statement of loss and comprehensive loss, resulting in a $103,871 flow-through liability balance at December 31, 2023.

During the year ended December 31, 2022, the Company incurred eligible flow-through expenditures of $11,806,328 of the total flow-through funds raised. Therefore, $2,977,194 of flow-through premium and $46,556 of the flow-through related share issuance costs were recognized on the statement of loss and comprehensive loss, resulting in a $3,658,182 flow-through liability balance at December 31, 2022.

As at December 31, 2023, the Company has a remaining obligation to spend $464,702 (2022 - $12,271,152) in eligible flow-through expenditures by December 31, 2024.

(Expressed in Canadian Dollars)

10. Rehabilitation Provision

The Company has estimated that the present value of future rehabilitation costs required to remediate the MacMillan Pass and Mactung Projects based on its current state.

Although the ultimate amount of the rehabilitation liability is uncertain, the best estimate of these obligations is based on information currently available. Current significant closure and rehabilitation activities include dismantling and removing camp facilities, roads reclamation and mobile equipment removal costs.

The total amount of estimated undiscounted cash flow required to settle the Company's estimated obligation as at December 31, 2023 was $603,846 (2022 - $325,596). The calculation of present value of estimated future cash flows assumed a discount rate of 3.31% (2022 – 2.86%) and an inflation rate of 2.80% (2022 – 5.96%). Rehabilitation costs are estimated to be settled at various dates during 2028.

	$
Balance, December 31, 2021	**366,268**
Change in estimate	11,676
Accretion	5,236
Balance, December 31, 2022	**383,180**
Change in estimate	194,948
Accretion	10,960
Balance, December 31, 2023	**589,088**

11. Capital Stock and Reserves

The authorized capital stock of the Company consists of an unlimited number of common shares without nominal or par value. As at December 31, 2023, the Company had 145,445,800 (December 31, 2022 – 135,191,999) common shares issued and outstanding.

Transactions for the year ended December 31, 2023

On September 1, 2023, the Company closed a private placement financing for gross proceeds of $16,800,000. The financing consisted of 8,750,000 flow-through common shares of the Company at a price of $1.92 per share. The Company recorded a flow-through premium of $3,325,000 in connection with the private placement. The Company incurred total share issuances costs of $94,315 of which $23,273 was allocated to the flow-through premium. The Company also issued 44,785 one-year finders' warrants, which are exercisable at the price of $1.37 per share. The warrants were valued at $21,012 using the Black-Scholes Option Pricing Model using the following assumptions: Risk-free rate – 4.59%; expected volatility – 61.15%; expected life – 1 year; forfeiture rate – nil; dividend rate – nil.

During the year ended December 31, 2023, 1,304,279 common shares were issued pursuant to the exercise of warrants for proceeds of $894,723. The Company re-allocated $188,904 in fair value of finders' warrants from warrants reserve to capital stock.

During the year ended December 31, 2023, 199,522 common shares were issued pursuant to the exercise of 357,600 options for proceeds of $94,340. Of the 357,600 options exercised, 198,000 were cashless exercises, resulting in the issuance of 39,922 common shares. The Company re-allocated $116,322 of options reserves to capital stock.

Transactions for the year ended December 31, 2022

On January 7, 2022, the Company issued 500,000 common shares as part of the payment for the Oro Property. The fair value of the common shares at the time of issuance was $305,000 (Note 4).

(Expressed in Canadian Dollars)

On May 27, 2022, the Company closed a private placement financing for gross proceeds of $13,157,511. The financing consisted of 8,472,159 common shares of the Company at a price of $0.70 per share and 7,300,000 flow-through common shares at a price of $0.99 per share. In connection with the private placement, the Company incurred aggregate cash finders' fees of $141,870 and issued 153,000 one-year finders' warrants, which are exercisable at the price of $0.70 per share.

On December 21, 2022, the Company closed a private placement financing for gross proceeds of $35,398,720. The financing consisted of 32,063,027 common shares of the Company at a price of $0.74, 4,672,818 flow-through common shares at a price of $0.88 per share and 6,300,000 charity flow-through shares at a price of $1.20. The Company recorded a flow-through premium totaling $3,552,195 as flow-through liability. Share issuance costs allocated to the flow-through premium liability was $67,636. In connection with the financing the Company incurred aggregate cash finders' fees of $461,898 and issued 501,434 one-year finders' warrants, with a fair value of $169,392, which are exercisable at the price of $0.80 per share.

During the year ended December 31, 2022, 790,000 options were exercised for gross proceeds of $411,500. In connection with the issuance, a total of $308,866 was re-allocated from reserves to capital stock.

During the year ended December 31, 2022, 196,963 warrants were exercised for gross proceeds of $131,141. In connection with the issuance, a total of $15,742 was re-allocated from reserves to capital stock.

Stock options

The Company adopted a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time and are exercisable within a maximum of ten (10) years. The vesting period for all options is at the discretion of the directors. The exercise price will be set by the directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

The following is a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price $
Balance as at December 31, 2021	**4,892,000**	**0.82**
Granted	4,245,000	0.56
Exercised	(790,000)	0.52
Forfeited	(255,000)	1.09
Expired	(540,000)	0.55
Balance as at December 31, 2022	**7,552,000**	**0.70**
Granted	5,616,000	1.08
Exercised	(357,600)	0.62
Forfeited	(162,800)	0.59
Expired	(665,000)	1.45
Balance, as at December 31, 2023	**11,982,600**	**0.84**

Share-based compensation relating to options vested during the year ended December 31, 2023, using the Black-Scholes option pricing model were $2,292,262 (2022 - $730,261), which was recorded as reserves on the statements of financial position and as share-based compensation expense on the statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

The associated share-based compensation expense for the options granted was calculated based on the following weighted average assumptions:

	December 31, 2023	December 31, 2022
Risk-free interest rate	3.73%	3.28%
Expected life of options	5 years	5 years
Annualized volatility	67.62%	70.26%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Weighted average share price on grant date	$1.03	$0.56
Weighted average fair value of options granted	$0.60	$0.34

As at December 31, 2023, the Company had outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining life in Years	Weighted Average Exercise Price $
07/11/2024	100,000	100,000	0.53	0.65
06/10/2025	668,000	668,000	1.45	0.59
08/25/2025	160,000	160,000	1.65	0.71
09/18/2025	120,000	120,000	1.72	0.99
07/07/2026	1,297,000	1,028,000	2.52	0.80
11/01/2026	75,000	75,000	2.84	0.83
09/02/2027	3,664,400	1,444,400	3.67	0.55
09/21/2027	190,000	76,000	3.73	0.59
11/17/2027	105,000	42,000	3.88	0.73
02/27/2028	280,000	56,000	4.16	0.85
06/20/2028	4,531,200	908,800	4.50	1.01
07/05/2028	100,000	-	4.52	1.11
08/24/2028	452,000	-	4.65	1.70
09/12/2028	240,000	-	4.70	1.42
	11,982,600	**4,678,200**	**3.74**	**0.84**

Share purchase warrants and agents' warrants

The share purchase warrants, agents' warrants and options activities are summarized below:

	Number of Warrants	Weighted Average Exercise Price $
Balance as at December 31, 2021	**7,631,338**	**0.74**
Exercised	(196,963)	0.67
Expired	(3,823,036)	0.86
Issued	654,434	0.78
Balance as at December 31, 2022	**4,265,773**	**0.63**
Exercised	(1,304,279)	0.69
Expired	(73,825)	0.88
Issued	44,785	1.37
Balance as at December 31, 2023	**2,932,454**	**0.61**

(Expressed in Canadian Dollars)

As at December 31, 2023, the Company had outstanding share purchase and agents' warrants as follows:

Expiry date (mm/dd/yyyy)	Warrants Outstanding	Weighted Average Remaining life in Years	Weighted Average Exercise Price $
04/14/2024[1]	2,887,669	0.29	0.60
09/01/2024	44,785	0.67	1.37
	2,932,454	**0.29**	**0.61**

[1] Subsequent to December 31, 2023, A total of 2,854,669 warrants were exercised at a price of $0.60 per share for proceeds of $1,712,801 and 33,000 expired unexercised.

12. Income Tax

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

	2023 $	2022 $
Net loss before income tax	(33,264,051)	(13,535,401)
Expected income tax expense (recovery)	(8,981,000)	(3,655,000)
Change in statutory, foreign tax, foreign exchange rates and other	2,000	1,000
Permanent difference	(1,232,000)	(593,000)
Impact of flow through shares	8,553,000	2,473,000
Share issue cost	(25,000)	(163,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	-	-
Change in unrecognized deductible temporary differences	1,683,000	1,937,000
Total income tax expense (recovery)	**-**	**-**

The significant components of the Company's deferred tax assets and liabilities are as follows:

Deferred tax assets (liabilities)	2023 $	2022 $
Exploration and evaluation assets	4,241,000	4,065,000
Property and equipment	111,000	76,000
Share issue costs	166,000	220,000
Non-capital losses available for future period	4,748,000	3,222,000
	9,266,000	7,583,000
Net deferred tax liabilities	9,266,000	7,583,000

(Expressed in Canadian Dollars)

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

	December 31, 2023 $	Expiry Dates	December 31, 2022 $	Expiry Dates
Exploration and evaluation assets	15,711,000	No expiry date	15,056,000	No expiry date
Property and equipment, and other	423,000	No expiry date	279,000	No expiry date
Share issue costs	614,000	2044-2047	816,000	2043-2046
Non-capital losses	17,585,000	2035-2043	11,933,000	2035-2042

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

13. Related Party Transactions

Related party transactions mainly include management and consulting fees, director and committee fees as well as share-based compensation. The related parties are represented by the key management personnel, which include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Related parties also include companies, controlled by officers and/or directors.

The remuneration to directors and key management personnel during years ended December 31, 2023, and 2022 was as follows:

Nature of the transaction	December 31, 2023 $	December 31, 2022 $
Director and committee fees	189,835	156,449
Investor relations and corporate development	-	10,162
Management and consulting fees	1,269,069	913,629
Management and consulting fees related to exploration and evaluation	436,507	11,293
Share-based compensation	1,351,698	382,118
Total compensation	**3,247,109**	**1,473,651**

The following amounts were owed to directors and key management personnel or companies controlled by them. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

		December 31, 2023 $	December 31, 2022 $
Director	Director and committee fees	8,250	12,242
Key management	Management fees and expense recoveries	333,271	356,840
		341,521	**369,082**

During the year ended, December 31, 2023, the Company paid $25,440 (2022 – $16,200) in promotional programs expenses to a family member of a Director.

14. Segmented Information

The Company operates in one reportable segment, being the acquisition and exploration of mineral projects. All of the Company's operations are within the mineral exploration sector in Canada.

15. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage, as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company may continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has or feels it can raise adequate financial resources to do so. The Company is not subject to any externally imposed capital requirements and there were no changes to management's approach to capital management during the year ended December 31, 2023.

16. Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

Fair Value

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, receivables, reclamation bond, loan payable and accounts payable and accrued liabilities and purchase obligation, approximate carrying value, which is the amount recorded on the statements of financial position.

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

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company manages its credit risk through its counterparty ratings and credit limits.

The Company's cash and cash equivalents are held through large Canadian financial institutions. Guaranteed investment certificates are composed of financial instruments issued by Canadian banks and companies with high investment-grade ratings. These instruments mature at various dates over the current operating period and are cashable on the maturity date.

Receivables of $283,021 consist of Goods and Services Tax ("GST") recoverable from the Federal Government of Canada. The Company believes its exposure to credit risk is equal to the carrying value of this balance. The Company has exposure to credit risk with respect to its cash as it places most of its cash in one financial institution in Canada where deposits are covered up to $100,000 by the Canada Deposit Insurance Corporation. The Company believes its exposure is limited as it banks with a large Canadian institution.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had a cash balance of $19,224,378 to settle current liabilities of $5,894,581. The Company believes it has sufficient funds to meet its current liabilities as they become due.

The Company is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2023 the Company is not exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign currency risk

The Company operates predominantly in Canada and is not exposed to any significant foreign currency risk.

(Expressed in Canadian Dollars)

17. Commitment

On December 19, 2016, the Company granted but did not issue, 1,000,000 performance shares to each of four founders/directors for a total of 4,000,000 common shares, in recognition of services to date and as incentive for continuing services in advancing the projects and increasing shareholder value. Each founder/director will receive, upon request and confirmation, the following performance shares upon achievement of the following milestones:

Number of shares to be issued	Milestone
300,000	Preparation of a positive preliminary economic assessment of the Tom and Jason zinc-lead-silver deposits (or any part of this property thereof).
300,000	Increasing the mineral resources contained within the Tom and Jason property by at least 50% over the current stated mineral resources as stated in the 2007 Technical Report by D. Rennie (either by additional tonnage or increased total zinc+lead+silver content at similar or higher grade).
Balance(1)	Preparation of a positive Pre-Feasibility Study of the Tom and Jason deposits (or any part thereof).
Balance(1)	The effective disposition of greater than 50% of the Tom and Jason deposits or of the Company, whether by way of sale, business combination, joint venture or other similar form of transaction, demonstrating a value of at least $10,000,000.

(1) Balance of the 1,000,000 performance shares which have not been previously issued will be issued upon the achievement of either one or the other of these two milestones.

Under the terms of the performance shares agreement above, the Company issued 300,000 performance shares to a former director on May 14, 2020, following his resignation in April 2020.

18. Subsequent Events

Subsequent to year end 2023:

- A total of 2,854,669 warrants were exercised at a price of $0.60 per share for proceeds of $1,712,801.
- A total of 81,800 stock options were exercised for gross proceeds of $59,062.