FIREWEED METALS CORP.

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian Dollars)

Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

Index

Notice of non-review of condensed consolidated interim financial statements

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators, notice is given that the attached condensed consolidated interim financial statements for three-month period ended March 31, 2024 have not been reviewed by the Company's auditors.

FIREWEED METALS CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)
As at

	Note(s)	March 31, 2024 $	December 31, 2023 $
Assets			
Current assets:			
Cash and cash equivalents		15,977,071	19,224,378
Receivables		118,438	283,021
Prepaid expenses		385,386	358,078
		16,480,895	19,865,477
Equipment and right of use assets	5	2,107,962	2,194,203
Reclamation bond		39,596	39,596
Exploration and evaluation assets	4	17,361,564	17,361,564
		35,990,017	39,460,840
Current liabilities:			
Accounts payable and accrued liabilities	6,12	1,961,845	2,229,756
Lease liability, short-term	7	456,034	442,621
Purchase obligation	4	3,272,885	3,182,204
Short-term loan payable	8	-	40,000
		5,690,764	5,894,581
Flow-through premium liability	9	-	103,871
Lease liability, long-term	7	195,112	314,276
Rehabilitation provisions	10	595,421	589,088
		6,481,297	6,901,816
Shareholders' equity:			
Capital stock	11	108,962,312	108,033,387
Options reserve	11	5,359,323	4,831,622
Warrants reserve	11	183,253	183,253
Deficit		(84,996,168)	(80,489,238)
		29,508,720	32,559,024
		35,990,017	39,460,840

Nature and continuance of operations (Note 1)
Commitment (Note 16)
Subsequent events (Note 17)

On behalf of the Board:

"Peter Hemstead"	Director, Interim CEO and President	*"Adrian Rothwell"*	Director

FIREWEED METALS CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)
For the three months ended,

	Note(s)	March 31, 2024 $	March 31, 2023 $
Expenses			
Consulting and management	12	493,671	615,755
Depreciation	5	165,252	14,552
Director and committee fees	12	51,000	42,358
Exploration and evaluation	4	2,571,307	1,148,493
Investor relations and corporate development		289,005	246,421
Interest expense	7	21,656	-
Professional fees		13,297	28,413
Property investigation	4	-	234,703
Share-based compensation	11,12	562,563	321,215
Transfer agent & filing fees		45,756	158,634
General & administrative		330,814	144,629
		(4,544,321)	(2,955,173)
Accretion on rehabilitation provision	10	(6,333)	(2,740)
Amortization of flow-through liability	9	103,871	298,423
Part XII.6 Tax		(193,307)	-
Finance expense on purchase obligation	4	(90,681)	-
Foreign exchange		(3,248)	(2,686)
Interest income		217,089	468,578
Gain on Debt	8	10,000	-
Loss and comprehensive loss for the period		**(4,506,930)**	**(2,193,598)**
Loss per share – basic and diluted		(0.03)	(0.02)
Weighted average number of common shares outstanding – basic and diluted		145,969,843	135,201,032

FIREWEED METALS CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - expressed in Canadian Dollars)
For the three months ended

	March 31, 2024 $	March 31, 2023 $
OPERATING ACTIVITIES		
Loss for the period	(4,506,930)	(2,193,598)
Adjustment for items not affecting cash:		
Amortization of flow-through liability	(103,871)	(298,423)
Accretion on rehabilitation provision	6,333	2,740
Depreciation	165,252	14,552
Finance expense on purchase obligation	90,681	-
Share-based compensation	562,563	321,215
Interest on lease obligations	21,656	-
Change in non-cash working capital items:		
Receivables	164,583	9,902
Prepaid expenses	(27,308)	(599,550)
Accounts payable and accrued liabilities	(267,911)	18,011
	(3,894,952)	**(2,725,151)**
INVESTING ACTIVITIES		
Acquisition of equipment	(79,011)	(93,121)
	(79,011)	**(93,121)**
FINANCING ACTIVITIES		
Repayment of CEBA loan	(40,000)	-
Proceeds from warrants exercised	835,001	81,900
Proceeds from options exercised	59,062	-
Lease payments	(127,407)	-
	726,656	**81,900**
Increase (decrease) in cash	(3,247,307)	(2,736,372)
Cash and cash equivalents, beginning of the period	**19,224,378**	**39,885,979**
Cash and cash equivalents, end of the period	**15,977,071**	**37,149,607**
Cash	14,687,071	39,985,979
Cash equivalents	1,290,000	**-**
	15,977,071	**39,985,979**
Supplemental disclosures with respect to cash flows:		
Non-cash investing and financing activities:		
Fair value of exercised options	34,862	-
Fair value of exercised finders' warrants	-	21,609

(Unaudited - expressed in Canadian Dollars)

	Notes	Shares #	Capital Stock Amount $	Warrants reserve $	Options reserve $	Deficit $	Total $
Balance at December 31, 2022		**135,191,999**	**93,379,425**	**351,145**	**2,655,682**	**(47,225,187)**	**49,161,065**
Share-based compensation	11	-	-	-	321,215	-	321,215
Warrants exercised	11	117,000	103,509	(21,609)	-	-	81,900
Loss for the period		-	-	-	-	(2,193,598)	(2,193,598)
Balance at March 31, 2023		**135,308,999**	**93,482,934**	**329,536**	**2,976,897**	**(49,418,785)**	**47,370,582**
Balance at December 31, 2023		**145,445,800**	**108,033,387**	**183,253**	**4,831,622**	**(80,489,238)**	**32,559,024**
Share-based compensation	11	-	-	-	562,563	-	562,563
Options exercised	11	81,800	93,924	-	(34,862)	-	59,062
Warrants exercised	11	1,391,668	835,001	-	-	-	835,001
Loss for the period		-	-	-	-	(4,506,930)	(4,506,930)
Balance at March 31, 2024		**146,919,268**	**108,962,312**	**183,253**	**5,359,323**	**(84,996,168)**	**29,508,720**

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 March 31, 2024, 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 condensed interim 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 March 31, 2024, the Company had an accumulated deficit of $80,489,238, current assets of $16,480,895 to settle current liabilities of $5,690,764, 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 condensed interim consolidated financial statements for the period ended March 31, 2024, have been prepared by management, reviewed by the Audit Committee and authorized for issue by the Board of Directors on May 21, 2024.

2. Basis of Presentation and Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - Interim Financial Reporting. In addition, these condensed consolidated interim financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at March 31, 2024 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2024.

The condensed interim 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 condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. Material Accounting Policies

The accounting policies in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2023.

Principles of Consolidation

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

Critical accounting judgment

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

The preparation of these condensed interim 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 period ended March 31, 2024.

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.

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 periods ended March 31, 2024 and 2023 are disclosed in Note 10.

(Unaudited - expressed in Canadian Dollars)

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 9 for more details.

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, 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 and March 31, 2024	**12,804,423**	**57,752**	**4,499,389**	**17,361,564**
Exploration & Evaluation Expenditures				
Assaying	174,668	-	174,668	174,668
Camp and field	214,527	-	214,527	214,527
Drilling	254,117	-	254,117	254,117
Engineering	22,058	-	22,058	22,058
Exploration Contracting	2,000	27,500	29,500	2,000
Geological Consulting	20,583	6,600	27,183	20,583
Insurance and other	18,888	-	18,888	18,888
Permitting, Environment, Social	400,775	300	401,075	400,775
Reporting	5,400	-	5,400	5,400
Travel & Support	1,077	-	1,077	1,077
Balance, March 31, 2023	**1,114,093**	**34,400**	**1,148,493**	**1,114,093**
Assaying	339,687	-	-	339,687
Camp and field	506,088	-	24,641	530,729
Drilling	253,316	-	-	253,316
Engineering	96,056	-	279,973	376,029
Exploration Contracting	-	25,113	-	25,113
Geological Consulting	285,769	-	3,645	289,414
Insurance and other	13,201	-	-	13,201
Permitting, Environment, Social	540,457	-	185,857	726,314
Reporting	8,800	-	-	8,800
Travel & Support	8,704	-	-	8,704
Balance, March 31, 2024	**2,052,078**	**25,113**	**494,116**	**2,571,307**

(Unaudited - expressed in Canadian Dollars)

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.

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.

(Unaudited - expressed in Canadian Dollars)

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).
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 three months ended March 31, 2024, the Company recorded $90,681 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.

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, 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
Additions	-	76,924	2,087	-	-	-	-	79,011
As at March 31, 2024	**404,204**	**1,196,627**	**43,493**	**107,940**	**23,271**	**294,243**	**772,168**	**2,841,946**
Accumulated Depreciation								
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)
Depreciation expense	-	(51,111)	(2,968)	(2,828)	(900)	(10,924)	(96,521)	(165,252)
As at March 31, 2024	**-**	**(206,291)**	**(18,687)**	**(73,061)**	**(6,165)**	**(43,696)**	**(386,084)**	**(733,984)**
Net book value								
As at December 31, 2023	404,204	964,523	25,687	37,707	18,006	261,471	482,605	2,194,203
As at March 31, 2024	**404,204**	**990,336**	**24,806**	**34,879**	**17,106**	**250,547**	**386,084**	**2,107,962**

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 March 31, 2024, 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.

(Unaudited - 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:

	March 31, 2024 $	December 31, 2023 $
Payable to related parties (Note 12)	350,270	341,521
Trade payables	1,611,575	1,888,235
Total Accounts Payable and Accrued Liabilities	**1,961,846**	**2,229,756**

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:

	March 31, 2024	December 31, 2023
	$	$
Balance, beginning of year	756,897	-
Additions	-	1,066,411
Lease payments	(127,407)	(382,222)
Interest expense	21,656	72,708
	651,146	756,897
Less: current portion of lease liability	(456,034)	(442,621)
Non-current portion of lease liability	**195,112**	**314,276**

(Unaudited - expressed in Canadian Dollars)

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

	March 31, 2024 **$**
Less than 1 year	509,630
1 to 5 years	233,297
5+ years	-
Total minimum lease payments	742,927
Less imputed interest	(91,781)
Total lease obligation	651,146
Current portion of lease obligation	(456,034)
Non-current portion of lease liability	195,112

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. The Company repaid $30,000 on January 10, 2024 and $10,000 was forgiven.

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, 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**
Settlement of flow-through liability on incurred expenditures	(103,871)
Balance at March 31, 2024	**-**

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 three months ended March 31, 2024, the Company incurred flow-through expenditures of $464,702, therefore $103,871 of flow-through premium costs were recognized on the statement of loss and comprehensive loss, resulting in a flow-through liability balance of $nil at March 31, 2024.

(Unaudited - 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, 2022	**383,180**
Change in estimate	194,948
Accretion	10,960
Balance, December 31, 2023	**589,088**
Change in estimate	**-**
Accretion	6,333
Balance, March 31, 2024	**595,421**

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 March 31, 2024, the Company had 146,919,268 (December 31, 2023 – 145,445,800) common shares issued and outstanding.

Transactions for the three months ended March 31, 2024

During the three months ended March 31, 2024, 1,391,668 common shares were issued pursuant to the exercise of warrants for proceeds of $835,001. The Company also issued 81,800 common shares pursuant to the exercise of stock options for proceeds of $59,062. The Company re-allocated $34,862 in option value from option reserve to capital stock.

Transactions for the three months ended March 31, 2023

During the three months ended March 31, 2023, 117,000 common shares were issued pursuant to the exercise of warrants for proceeds of $81,900. The Company re-allocated $21,609 in fair value of finders' warrants from warrants reserve to capital stock.

(Unaudited - expressed in Canadian Dollars)

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, 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**
Exercised	(81,800)	0.72
Balance, as at March 31, 2024	**11,900,800**	**0.84**

Share-based compensation relating to options vested during the period ended March 31, 2024, using the Black-Scholes option pricing model were $562,563 (2023 - $321,215), 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.

As at March 31, 2024, 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	0.28	0.65
06/10/2025	668,000	668,000	1.20	0.59
08/25/2025	160,000	160,000	1.40	0.71
09/18/2025	120,000	120,000	1.47	0.99
07/07/2026	1,297,000	1,297,000	2.27	0.80
11/01/2026	30,000	30,000	2.59	0.83
09/02/2027	3,630,800	2,150,800	3.42	0.55
09/21/2027	190,000	114,000	3.48	0.59
11/17/2027	105,000	42,000	3.63	0.73
02/27/2028	280,000	112,000	3.91	0.85
06/20/2028	4,528,000	905,600	4.25	1.01
07/05/2028	100,000	20,000	4.27	1.11
08/24/2028	452,000	90,400	4.40	1.70
09/12/2028	240,000	48,000	4.45	1.42
	11,900,800	**5,857,800**	**3.49**	**0.84**

(Unaudited - expressed in Canadian Dollars)

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, 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**
Exercised	**(1,391,668)**	**0.60**
Balance as at March 31, 2024	**1,540,786**	**0.62**

As at March 31, 2024, 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]	1,496,001	0.04	0.60
09/01/2024	44,785	0.42	1.37
	1,540,786	**0.05**	**0.62**

[1] Subsequent to March 31, 2024, a total of 1,463,001 warrants were exercised at a price of $0.60 per share for proceeds of $8,77,801 and 33,000 expired unexercised.

12. 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 the three months ended March 31, 2024, and 2023 was as follows:

Nature of the transaction	March 31, 2024 $	March 31, 2023 $
Director and committee fees	51,000	42,358
Management and consulting fees	195,332	162,521
Management and consulting fees related to exploration and evaluation	92,593	-
Share-based compensation	303,499	169,011
Total compensation	**642,424**	**373,890**

(Unaudited - expressed in Canadian Dollars)

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.

		March 31, 2024 $	**December 31, 2023 $**
Director	Director and committee fees	2,000	20,800
Key management	Management fees and expense recoveries	348,270	330,207
		350,270	**351,007**

13. 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.

14. 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 three months ended March 31, 2024.

15. 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 $114,824 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 March 31, 2024, the Company had a cash balance of $15,977,071 to settle current liabilities of $5,690,764. 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 March 31, 2024 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.

(Unaudited - expressed in Canadian Dollars)

16. 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.

17. Subsequent Events

Subsequent to March 31, 2024:

- 1,463,001 warrants were exercised for gross proceeds of $877,801.
- 571,600 stock options were exercised for gross proceeds of $431,036.