NUVAU MINERALS CORP.

Financial Statements

December 31, 2023

(Stated in Canadian Dollars)

Independent auditor's report

To the Board of Directors of
Nuvau Minerals Corp.

Opinion

We have audited the financial statements of **Nuvau Minerals Corp.** [the "Company"], which comprise the statement of financial position as at December 31, 2023 and 2022, and the statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the Company has no source of operating cash flows, working capital of $3,084,670 as at December 31, 2023 and a net loss of $6,150,607 for the year then ended. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis dated May 24, 2024.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion & 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 in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
May 24, 2024

STATEMENT OF FINANCIAL POSITION

(Stated in Canadian Dollars)

As at	**December 31 2023 $**	December 31 2022 **$**
ASSETS		
Current assets		
Cash	**2,949,311**	1,166,860
Cash held in trust	**289,649**	265,000
Amounts receivable *[note 4]*	**1,290,951**	1,216,867
Tax credit receivable *[note 5]*	**1,988,136**	1,820,533
Prepaid expenses	**27,576**	96,358
Total current assets	**6,545,623**	4,565,618
Non-current assets		
Mineral property interests *[note 5]*	**100,000**	-
Total non-current assets	**100,000**	-
Total assets	**6,645,623**	4,565,618
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**1,288,020**	2,427,859
Deferred premium on flow-through shares *[note 6]*	**2,172,933**	852,415
Total current liabilities	**3,460,953**	3,280,274
Total liabilities	**3,460,953**	3,280,274
EQUITY		
Share capital *[note 6]*	**13,266,380**	5,639,451
Equity settled employee benefits *[note 6]*	**313,004**	-
Share subscriptions *[note 6]*	**300,000**	190,000
Deficit	**(10,694,714)**	(4,544,107)
Total equity	**3,184,670**	1,285,344
Total liabilities and equity	**6,645,623**	4,565,618

Going concern [note 1]
Commitments [note 10]
Subsequent events [note 13]

See accompanying notes to the financial statements

These financial statements are authorized for issue by the Board of Directors on May 24, 2024.

They are signed on the Company's behalf by:

"Ewan Downie" Director

"Peter van Alphen" Director

NUVAU
MINERALS CORP.

STATEMENT OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars)

For the year ending December 31,

	2023 $	2022 $
EXPENSES		
Exploration and evaluation *[note 5]*	**7,365,089**	5,866,082
General and administrative expenses	**851,981**	350,969
Professional fees	**468,995**	211,173
Share-based payments *[note 6]*	**313,004**	-
	8,999,069	6,428,224
Other items		
Interest income	**124,275**	-
Loss before income taxes	**(8,874,794)**	(6,428,224)
Deferred tax recovery *[note 8]*	**(2,724,187)**	(1,972,985)
Loss and comprehensive loss for the year	**(6,150,607)**	(4,455,239)
Basic and diluted loss per share *[note 7]*	**(0.25)**	(0.36)

See accompanying notes to the financial statements

NUVAU MINERALS CORP.

STATEMENT OF CASH FLOWS

(Stated in Canadian Dollars)

For the year ending December 31,

	2023	2022
	$	**$**
OPERATING ACTIVITIES		
Loss for the year	**(6,150,607)**	(4,455,239)
Add charges to earnings not involving a current receipt of cash		
Share based payments *[note 6]*	**313,004**	-
Deferred tax recovery	**(2,724,187)**	(1,972,985)
	(8,561,790)	(6,428,224)
Changes in non-cash working capital balances related to operations		
Amounts receivable	**(174,084)**	(1,091,047)
Tax credit receivable	**(167,603)**	(1,820,533)
Prepaid expenses	**68,782**	(96,358)
Accounts payable and accrued liabilities	**(1,139,839)**	2,318,239
Cash used in operating activities	**(9,974,534)**	(7,117,923)
INVESTMENT ACTIVITIES		
Purchase of mineral property interests *[note 5]*	**(100,000)**	-
Cash used in investment activities	**(100,000)**	-
FINANCING ACTIVITIES		
Proceeds from shares issued in private placements *[note 6]*	**11,730,492**	3,945,000
Proceeds from share subscriptions *[note 6]*	**300,000**	190,000
Share issue costs	**(148,858)**	(65,799)
Cash provided by financing activities	**11,881,634**	4,069,201
Increase (decrease) in cash during year	**1,807,100**	(3,048,722)
Cash, beginning of period	**1,431,860**	4,480,582
Cash, end of year	**3,238,960**	1,431,860
Represented by		
Cash	**2,949,311**	1,166,860
Cash held in trust	**289,649**	265,000
	3,238,960	1,431,860

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN EQUITY

(Stated in Canadian Dollars)

	Share Capital			Reserves		
Issued and outstanding:	Number of Shares	Share Capital	Shares subscribed	Equity Settled Employee Benefits	Deficit	Total Equity
Balance, January 01, 2022	8,345,000	2,998,600	270,000		(88,868)	3,179,732
Shares issued in private placement (first tranche) *[note 6]*	895,000	447,500	(270,000)	-	-	177,500
Shares issued in private placement (final tranche) *[note 6]*	200,000	100,000	-	-	-	100,000
Shares issued in flow-through private placement *[note 6]*	1,000,000	500,000	-	-	-	500,000
Shares issued in flow-through unit private placement *[note 6]*	3,100,000	2,635,000	-	-	-	2,635,000
Shares issued in flow-through private placement *[note 6]*	965,000	482,500	-	-	-	482,500
Share subscriptions *[note 6]*	-	-	190,000	-	-	190,000
Share issue costs *[note 6]*	-	(65,799)	-	-	-	(65,799)
Flow-through share premium *[note 6]*	-	(1,458,350)	-	-	-	(1,458,350)
Loss and comprehensive loss for the year	-	-	-	-	(4,455,239)	(4,455,239)
Balance, December 31, 2022	**14,505,000**	**5,639,451**	**190,000**	**-**	**(4,544,107)**	**1,285,344**
Shares issued in private placement *[note 6]*	1,464,000	732,000	(190,000)	-	-	542,000
Shares issued in CEE flow-through unit private placement *[note 6]*	6,264,500	6,107,887	-	-	-	6,107,887
Shares issued in CDE flow-through share private placement *[note 6]*	1,105,500	674,355	-	-	-	674,355
Shares issued in flow-through share private placement *[note 6]*	1,930,000	965,000	-	-	-	965,000
Shares issued in private placement *[note 6]*	570,000	285,000	-	-	-	285,000
Shares issued in flow-through private placement *[note 6]*	668,332	501,249	-	-	-	501,249
Shares issued in CEE flow-through unit private placement *[note 6]*	466,667	665,000	-	-	-	665,000
Shares issued in private placement *[note 6]*	2,255,000	1,691,250	-	-	-	1,691,250
Shares issued in flow-through private placement *[note 6]*	265,000	198,750	-	-	-	198,750
Share subscriptions *[note 6]*	-	-	300,000	-	-	300,000
Share issue costs *[note 6]*	-	(148,858)	-	-	-	(148,858)
Share-based payments *[note 6]*	-	-	-	313,004	-	313,004
Flow-through share premium *[note 6]*	-	(4,044,704)	-	-	-	(4,044,704)
Loss and comprehensive loss for the year	-	-	-	-	(6,150,607)	(6,150,607)
Balance, December 31, 2023	**29,493,999**	**13,266,380**	**300,000**	**313,004**	**(10,694,714)**	**3,184,670**

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

(Stated in Canadian Dollars)

For the year ending December 31, 2023 and 2022

1. NATURE OF BUSINESS

Nuvau Minerals Corp. (the "Company" or "Nuvau") was incorporated under the laws of the Province of Ontario on November 23, 2021 and is engaged in the acquisition, exploration, and evaluation of mineral properties. The Company's head office is located at 717B Hewitson St., Thunder Bay, ON P7B 6B5.

Going concern

The Company, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the challenges of securing adequate capital for exploration, development and operational risks inherent in the mining industry, global economic and metal price volatility and there is no assurance management will be successful in its endeavours. At December 31, 2023, the Company has no source of operating cash flows. The Company incurred a net loss of $6,150,607 for the year ended December 31, 2023 (year ended December 31, 2022 - $4,455,239), the Company had working capital of $3,084,670 (2022 - $1,285,344) and the Company's ability to continue as a going concern is dependent upon its ability to raise additional capital to continue the development of its mineral properties. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

These events and conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable level of operation. These financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of comprehensive loss classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Company become party to the contracts that gives rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income ("FVOCI"), as appropriate. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

<u>Financial assets at FVTPL</u>

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income. A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the statements of loss and comprehensive loss.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the statements of earnings. The election is available on an investment-by- investment basis.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, cash in trust, amounts receivable, tax credit receivable and certain other assets are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities, are classified as and measured at amortized cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in net earnings.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models. Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices);

and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

At each statement of financial position date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12- month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in net earnings.

Exploration and evaluation

The Company has adopted the policy of capitalizing acquisition costs and expensing exploration costs such as costs related to drilling, geophysical studies, property work, assaying and periodic maintenance costs incurred prior to the determination that a property has economically recoverable reserves.

Cash and cash held in trust

Cash is comprised of cash on hand and demand deposits. Cash held in trust is comprised of cash received in respect of financings that closed in the subsequent period.

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any 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 the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When 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 so that the increased carrying amount 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.

Share capital

Share capital represents the fair value of consideration received. Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, reserves, share options and share warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares, options or warrants are shown in equity as a deduction, net of tax, from the proceeds.

The Company may periodically issue units to investors consisting of common shares and warrants in non-brokered private placements. Each whole warrant issued entitles the holder to acquire a common share of the Company, at a fixed Canadian dollar price over a specified term. These warrants are not transferable from the original investor to a new investor. The Company's investor warrants are equity instruments and not financial liabilities or financial derivatives. Accordingly, gross investor proceeds received from the issuance of units are accounted for as an increase in share capital. No separate valuation (i.e. "bifurcation") of investor warrants is made for accounting purposes at the time of issuance or at any time thereafter.

The Company periodically issues warrants as additional consideration in a brokered financing or purchase transaction. Each whole warrant issued entitles the holder to acquire a common share of the Company, at a fixed dollar price over a specified term. These warrants are considered equity instruments and recorded as share issue costs.

When investor or other warrants are exercised, the proceeds received are added to share capital. When investor or other warrants expire unexercised, no accounting entry is recorded.

Share-based payment transactions

The Company operates equity-settled share-based remuneration plan for its employees, directors and consultants (collectively, "Participants") for rendering services to the Company.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values or where fair value of the goods and services received is indeterminable estimated using an option pricing model. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is determined at the grant date. All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to reserves.

Stock options are equity-settled share-based compensation awards. The fair value of stock options at the grant date is estimated using the Black-Scholes option pricing model. Compensation expense is recognized over the vesting period based on the number of units estimated to vest. Vesting periods may range from immediate to five years. This expense is recognized as share-based compensation expense with a corresponding increase in equity reserves.

Restricted Share Units ("RSU") are granted to eligible members of the Board of Directors, eligible employees and eligible contractors. The RSUs are settled in cash or equity at the option of the Company. The RSUs vest subject to an RSU award letter but no later than December 31, of the third calendar year following the service year determined based on date of grant. The RSUs granted are accounted for under the equity method.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax expense is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilised against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Contingent liabilities are not recognized in the financial statements, if not estimable and probable, and are disclosed in notes to the financial information unless their occurrence is remote. Contingent assets are not recognized in the financial statements, but are disclosed in the notes if their recovery is deemed probable.

Environmental rehabilitation

Provisions for environmental rehabilitation are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated over future production from the mining property to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates and operating lives. Changes to estimated future costs are recognized in the statement of financial position by adjusting the rehabilitation asset and liability.

Loss per share

The Company presents loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Loss per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Interest

Interest income and expenses are reported on an accrual basis using the effective interest method.

Flow through shares

Under Canadian income tax legislation, a company is permitted to issue flow through shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the most recent price of the non-flow-through common shares offered and the amount the investor pays for the flow-through shares. A deferred flow through premium liability is recognized for the difference. The liability is reversed when the expenditures are made and is recorded in deferred tax expense. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Segmented information

The Company has one operating segment which operates in one geographic area Canada

Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 the revision affects both current and future periods. Significant judgements, estimates and assumptions include:

- value of shares used to calculated the deferred premium on flow-through shares;
- inputs used in accounting for share-based payments in the statement of loss and comprehensive loss;
- valuation of the refundable mining duties credit and the refundable tax credit for resources. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment and payment has been received from the relevant taxation authority. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods;and
- the provision for income taxes that is included in the statement of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the statement of financial position which have not yet been confirmed by the taxation authorities.

3. RECENT ACCOUNTING PRONOUNCEMENTS AND FUTURE CHANGES IN ACCOUNTING POLICIES

Recent accounting pronouncements

The accounting policies adopted in the preparation of these financial statements have been prepared on the basis of all IFRS and interpretations effective as at December 31, 2023. There were no policies adopted that have a material impact on the Company.

New accounting standards and interpretations not yet adopted

The following is a listing of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. The Company is currently assessing the impact of adopting the following standards on the financial statements, as described below:

IAS 1 - Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements to clarify that liabilities are classified as either current or non-current, depending on the existence of the substantive right at the end of the reporting period for an entity to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective 1 January, 2024 with early adoption permitted. The amendments are required to be adopted retrospectively. The Company does not anticipate any significant impact from these amendments on the financial statements as a result of initial application.

NUVAU MINERALS CORP.

NOTES TO FINANCIAL STATEMENTS

(Stated in Canadian Dollars)

For the year ending December 31, 2023 and 2022

4. AMOUNTS RECEIVABLE

	2023	2022
	$	**$**
Recoverable taxes (i)	**1,290,951**	1,116,867
Subscription receivable	**-**	100,000
	1,290,951	1,216,867

(i) Recoverable taxes consist of Canadian harmonized sales tax receivable and the Quebec sales tax receivable.

5. MINERAL PROPERTIES

Acquisition costs

	December 31, 2023	**December 31, 2022**
	$	$
Acquisition costs	**100,000**	-

On March 10, 2023, the Company acquired a 100% interest in the Daniel Property, located in the Matagami Mining Camp, Quebec, for total consideration of $100,000.

Mineral property acquisitions and agreements

Matagami Claims, Matagami, Quebec

Earn-In and Joint Venture Agreements and Royalties

On March 25, 2022, the Company entered into an Earn-in Agreement ("Earn-In Agreement") with Glencore Canada Corporation ("Glencore") pursuant to which Nuvau is entitled to earn into up to a 100% undivided interest in certain copper and zinc mining properties held by Glencore in the Province of Québec being (i) the Matagami claims (the "Matagami Claims"), (ii) the mining claims (the "Du Dôme Matagami Claims") subject to the joint venture agreement between Glencore and Soquem Inc. dated November 20, 2019 (the "Du Dôme Matagami Agreement"), and (iii) mining claims (the "Franco Nevada Claims", collectively with the Matagami Claims and Du Dôme Matagami Claims, the "Project") subject to the joint venture agreement between Noranda Exploration Company, Limited and Phelps Dodge Corporation Canada dated May 27, 1980, as amended pursuant to a letter agreement dated August 1, 2007, and an Assignment and Confirmation Agreement between Franco-Nevada Corporation and Glencore dated September 1, 2020 (the "Franco-Nevada Agreement").

Pursuant to the Earn-In Agreement, Nuvau may also acquire certain areas near the Project (the "Excluded Property") and the Bracemac McLeod Mine owned by Glencore (the "Bracemac McLeod Mine"). If Nuvau acquires the Excluded Property and the Bracemac McLeod Mine, Nuvau would assume 100% of Glencore's obligations and liabilities with respect to the Project, the Excluded Property and the Bracemac McLeod Mine (including those obligations and liabilities for environmental conditions, any closure and rehabilitation liabilities and approved closure and rehabilitation plans and requirements to replace and post financial guarantee with the Ministère de l'Énergie et des Ressources Naturelles of Québec or MERN) to extent that they are acquired.

Details of Earn-In Agreement with Glencore

Subject to the terms and conditions of the Earn-In Agreement, Glencore granted Nuvau the sole, exclusive and irrevocable right during the period commencing on March 25, 2022 ("Effective Date") and ending on the third anniversary of the Effective Date, unless earlier terminated in accordance with the terms of the Earn-In Agreement, to acquire and become the owner of a 100% undivided interest in Glencore's total interest in the Project (the "Earn-In Interest"), subject to the Glencore NSR and the Offtake Right (each term as defined herein), and certain permitted encumbrances (including the Du Dôme Matagami Agreement and the Franco-Nevada Agreement) (the "Earn-In Right").

In order to maintain the Earn-In Right in good standing until Nuvau earns the Earn-In Interest, Nuvau must undertake mining operations and incur expenditures on the Project, the Excluded Property and the Bracemac McLeod Mine as follows:

1. in the aggregate amount of at least $8,000,000 (the "Guaranteed Amount") on or before the first anniversary of the Effective Date (March 25, 2023);
2. in the aggregate amount of at least $18,000,000 (including the Guaranteed Amount) ("Second Anniversary Expenditure Amount") on or before the second anniversary of the Effective Date (March 25, 2024); and
3. in the aggregate amount of at least $30,000,000 (including the Second Anniversary Expenditure Amount) ("Aggregate Expenditure Amount") on or before the third anniversary of the Effective Date (March 25, 2025).

Nuvau has incurred expenditures up to the Guaranteed Amount prior to March 25, 2023. In the event Nuvau fails to fulfill any of the above expenditure milestones, the Earn-In Agreement would be deemed to be terminated, unless Nuvau cures any default in payment within 60 days from notice of such default or, in the event the Earn-In Right is in good standing but Nuvau, for any reason, is unable to undertake mining operations sufficient to satisfy the Guaranteed Amount, the Second Anniversary Expenditure Amount, or the Aggregate Expenditure Amount, provide an alternative payment in cash of up to $2,000,000 to cover the shortfall and give proper notice to Glencore. Nuvau is fully responsible for funding the required amounts noted above and if it cannot do so it would forfeit all rights and interests in the Project and joint ventures with no further liability.

Upon Nuvau meeting the above Earn-In requirements, Glencore would transfer the Project to Nuvau ("Transfer Date").

In addition to the expenditure requirements to acquire interest to the Project, Nuvau will also have to complete several cash and common share payments to Glencore upon meeting certain milestones including:

1. No later than the date that is sixty (60) days after Transfer Date of the Project, Nuvau shall pay to Glencore:
   I. a cash payment of $5,000,000; and
   II. an additional payment in cash or common shares of Nuvau in the amount of $5,000,000, or a combination thereof at Nuvau's election, provided Nuvau is a publicly listed company on a recognized exchange (including but not limited to the TSX Venture Exchange) at the time of the payment and that payment in shares does not result in Glencore owning more than 9.9% of Nuvau's then issued and outstanding common shares,

2. Nuvau shall make an additional cash payment of $5,000,000 to Glencore within sixty (60) days of a production decision.

In addition, Nuvau cannot transfer any portion of the Project unless the transferee enters into a written and enforceable agreement with Glencore to be bound by the provisions of the said covenant.

Under the terms of the Earn-In Agreement, Nuvau would be the operator of the Project and responsible for, among other things, managing and overseeing all mining operations in respect of the Project for and on behalf of the registered owners of such properties during the earn-in period.

Purchase or Right of First Refusal – Bracemac McLeod Mine

From the date of the first anniversary of the Effective Date until the date that Nuvau earns the Earn-In Right, and in the event and to the extent that there has been no transfer of the Bracemac McLeod Mine to a third party that is not an affiliate of Glencore and provided that Nuvau has satisfied the Guaranteed Amount, Nuvau shall have the right to elect to include the Bracemac McLeod Mine as part of the mining claims subject to the Earn-In Right, at no additional cost, by providing a written notice to Glencore.

Furthermore, Nuvau shall have a right of first refusal, such that if at any time Glencore obtains from a person with whom Glencore is dealing at arm's length a bona fide offer to purchase the Bracemac McLeod Mine (the "Third-Party Offer") and Glencore is willing to accept such Third-Party Offer, Glencore shall provide written notice of the Third-Party Offer to Nuvau. The first refusal notice shall state that Glencore has received a Third-Party Offer which it is willing to accept from a third party and shall be accompanied by a copy of the Third-Party Offer. A first refusal notice shall be irrevocable and shall remain open for acceptance by Nuvau for a period of 30 days following receipt thereof. Nuvau shall have the right, exercisable by written notice given to Glencore within such 30-day period to agree to purchase the sold interest on the same terms and conditions contained in the Third-Party Offer.

Purchase or Right of First Refusal – Excluded Property

From the date of exercise of the Earn-In Right by Nuvau and for a period of 24 months therefrom and to the extent that there has been no transfer of the Excluded Property to a third party (which shall be subject to the right of first refusal as outlined below), Nuvau shall have the right, but not the obligation, to purchase all or part of the Excluded Property, exercisable by written notice given to Glencore within such period, to agree to purchase the Excluded Property on the same terms and conditions set out in the Earn-In Agreement, including certain closing conditions and making a cash payment of $5,000,000 to Glencore. Furthermore, Nuvau shall have a right of first refusal over the Excluded Property, provided that it has satisfied the Guaranteed Amount and for a period of up to 24 months from the exercise of the Earn-In Right.

Glencore NSR Royalty and Offtake Agreements

Glencore shall retain and Nuvau will agree to pay a royalty of 2% net smelter returns from the sale of products and extracted, mined or produced from the Project, or to be derived or to result therefrom (and/or Excluded Property and Bracemac McLeod Mine to the extent subsequently acquired), subject to an aggregate maximum net smelter return on any mining claim of 3.5% inclusive of existing royalties, which shall not be subject to a right of first refusal or any other pre-emptive rights in favor of Nuvau or an affiliate (the "Glencore NSR").

Upon the transfer of the Project, (and/or Excluded Property and Bracemac McLeod Mine to the extent subsequently acquired), Glencore shall have the exclusive and irrevocable right (the "Offtake Right") to purchase or toll process all or any portion of products from the Project upon such terms and conditions as may be determined by good faith negotiation between Nuvau and Glencore (or any of their permitted assignees or transferees) provided that they are consistent with market terms then representative for any such transaction between arms-length parties and reflect Benchmark Terms on a CIF Asia basis, subject however to the purchase price (meaning a combination of payables, penalties, treatment charges, refining charges or any other such terms generally agreed upon on an annual basis) for the quantity of ore, concentrate or minerals in any other form that Glencore elects to purchase to be set for each twelve (12) month period of commercial operation, or such shorter period as may be agreed.

Prior to the transfer of the Project to Nuvau, Glencore and Nuvau will, in good faith, negotiate and agree to the terms and conditions of an offtake agreement with respect to the sale to Glencore or an affiliate of Glencore of 100% of products from the Project in accordance with the foregoing terms. With respect to parts of the Project subject to the Du Dôme Matagami Agreement and the Franco-Nevada Agreement, the Offtake Right retained by Glencore pursuant to the Earn-In Agreement and any subsequent offtake agreement entered into shall only apply to that proportion of total products extracted or derived from the Project subject to the Du Dôme

(Stated in Canadian Dollars)

Matagami Agreement and the Franco-Nevada Agreement that Nuvau is entitled to receive by virtue of the Earn-In Interest acquired by Nuvau pursuant to the Earn-In Agreement.

Glencore Joint Venture Agreements

A portion of the Glencore mineral claims included in the Earn-In Agreement with Nuvau are subject to two existing joint venture agreements with SOQUEM and Franco-Nevada and include separate royalty agreements.

The SOQUEM joint venture includes 421 mineral claims (21,133 ha) known as the Du Dôme Matagami claims which are held 56.66% by SOQUEM and 43.34% by Glencore. The Du Dôme Matagami Agreement includes a conversion of any interest in the joint venture to a royalty as per the terms of that specific agreement.

The Franco-Nevada joint venture includes 106 mineral claims (5,095) known as the Franco-Nevada claims, which are held 84% by Glencore and 16% by Franco-Nevada. The Franco-Nevada Agreement includes a conversion of any interest in the joint venture to a royalty as per the terms of that specific agreement.

Tax credits receivable

For the year ending December 31, 2023 the Company has recorded a total of $1,988,136 in expected tax credits against exploration activity. This amount is comprised of $186,969 related to 2023, and $1,801,167 adjusted prior year tax credits (the Company has recorded an expected $1,820,533 in expected tax credits against exploration activity for the year ended December, 31, 2022).

6. SHARE CAPITAL

i. Authorized

The Company is authorized to issue an unlimited number of common shares. The shares have no par value.

ii. Details of share issuances

Issued and outstanding:		**# of shares**	**Share price ($)**
Opening balance, January 1, 2022		**8,345,000**	
Shares issued in HD unit private placement (first tranche)	(a)	**895,000**	**0.50**
Shares issued in HD unit private placement (final tranche)	(b)	**200,000**	**0.50**
Shares issued in flow-through private placement	(c)	**1,000,000**	**0.50**
Shares issued in flow-through private placement	(d)	**3,100,000**	**0.85**
Shares issued in flow-through private placement	(e)	**965,000**	**0.50**
Balance, December 31, 2022		**14,505,000**	
Shares issued in HD Unit private placement	(f)	**1,464,000**	**0.50**
Shares issued in flow-through unit private placement	(g)	**6,264,500**	**0.98**
Shares issued in flow-through unit private placement	(h)	**1,105,500**	**0.61**
Shares issued in flow-through unit private placement	(i)	**1,930,000**	**0.50**
Shares issued in HD Unit private placement	(j)	**570,000**	**0.50**
Shares issued in flow-through private placement	(k)	**668,332**	**0.75**
Shares issued in flow-through unit private placement	(l)	**466,667**	**1.43**
Shares issued in HD Unit private placement	(m)	**2,255,000**	**0.75**
Shares issued in flow-through private placement	(n)	**265,000**	**0.75**
Balance, December 31, 2023		**29,493,999**	

2022

(a) On January 7, 2022 the Company completed the first tranche of a non-brokered private placement of 895,000 common share units of the Company at a price of $0.50 per unit (the "January 2022 HD Unit") for aggregate gross proceeds of $447,500. Each January 2022 HD Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $0.75, expiring January 7, 2025.

(b) On March 1, 2022 the Company completed the final tranche of a non-brokered private placement of 200,000 common share units of the Company at a price of $0.50 per unit (the "March 2022 HD Unit") for aggregate gross proceeds of $100,000. Each March 2022 HD Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $0.75, expiring March 1, 2025.

(c) On March 26, 2022 the Company completed a non-brokered private placement of 1,000,000 common shares of the Company that are flow-through shares within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $0.50 for aggregate gross proceeds of $500,000.

(d) On April 6, 2022 the Company completed a non-brokered private placement of 3,100,000 common shares of the Company that are flow-through units (the "April 2022 Flow-through Unit") within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $0.85 for aggregate gross proceeds of $2,635,000. Each April 2022 Flow-through Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $0.75, expiring April 6, 2025.

(e) On December 27, 2022 the Company completed a non-brokered private placement of 965,000 common shares of the Company that are flow-through shares within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $0.50 for aggregate gross proceeds of $482,500.

2023

(f) On January 13, 2023 the Company completed a non-brokered private placement of 1,464,000 common share units of the Company at a price of $0.50 per unit (the "January 2023 HD Unit") for aggregate gross proceeds of $732,000. Each January 2023 HD Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $0.75, expiring January 13, 2026.

(g) On February 2, 2023 the Company completed a non-brokered private placement of 6,264,500 common shares of the Company that are Canadian Exploration Expense ("CEE") flow-through units (the "CEE Flow-through Unit") within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $0.975 for aggregate gross proceeds of $6,107,887. Each CEE Flow-through Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $0.75, expiring February 2. 2026.

(h) On February 2, 2023 the Company completed a non-brokered private placement of 1,105,500 common shares of the Company that are Canadian Development Expense ("CDE) flow-through units (the "CDE Flow-through Unit") within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $0.61 for aggregate gross proceeds of $674,355. Each CDE Flow-through Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $0.75, expiring February 2. 2026.

(i) On February 17, 2023 the Company completed a non-brokered private placement of 1,930,000 common shares of the Company that are flow-through shares within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $0.50 for aggregate gross proceeds of $965,000.

(Stated in Canadian Dollars)

(j) On April 28, 2023 the Company completed the final tranche of a non-brokered private placement of 570,000 common share units of the Company at a price of $0.50 per unit (the "April 2023 HD Unit") for aggregate gross proceeds of $285,000. Each April 2023 HD Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $0.75, expiring April 28, 2026.

(k) On November 28, 2023 the Company completed a non-brokered private placement of 668,332 common shares of the Company that are flow-through shares within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $0.75 for aggregate gross proceeds of $501,249.

(l) On November 28, 2023 the Company completed a non-brokered private placement of 466,667 common shares of the Company that are Canadian Exploration Expense ("CEE") flow-through units (the "November 2023 CEE Flow-through Unit") within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $1.425 for aggregate gross proceeds of $665,000. Each November 2023 CEE Flow-through Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $1.00, expiring November 28. 2026.

(m) November 28, 2023 the Company completed a non-brokered private placement of 2,255,000 common share units of the Company at a price of $0.75 per unit (the "November 2023 HD Unit") for aggregate gross proceeds of $1,691,250. Each November 2023 HD Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $1.00, expiring November 28, 2026.

(n) On December 28, 2023 the Company completed a non-brokered private placement of 265,000 common shares of the Company that are flow-through shares within the meaning of the Income Tax Act (Canada) and the Taxation Act (Quebec) at a price of $0.75 for aggregate gross proceeds of $198,750.

Shares subscribed

The Company received $300,000 (2022 - $190,000) in share subscriptions for a private placement that closed subsequent to period end.

ii. Warrants

The following table reflects the continuity of warrants as at December 31, 2023:

Expiry date	Opening balance #	Exercise price ($)	Warrants issued #	Warrants exercised #	Warrants expired #	Closing balance#
December 30, 2024	1,317,500	$ 0.75	-	-	-	1,317,500
January 7, 2025	447,500	0.75	-	-	-	447,500
March 1, 2025	100,000	0.75	-	-	-	100,000
April 6, 2025	1,550,000	0.75	-	-	-	1,550,000
January 13, 2026	-	0.75	732,000	-	-	732,000
February 2, 2026	-	0.75	3,685,000	-	-	3,685,000
April 28, 2026	-	0.75	285,000	-	-	285,000
November 28, 2026	-	1.00	1,360,834	-	-	1,360,834
Total	**3,415,000**	**-**	**6,062,834**	**-**	**-**	**9,477,834**
Weighted average exercise price	$ 0.75		$ 0.81	$ -	$ -	$ 0.79

(Stated in Canadian Dollars)

The following table reflects the continuity of warrants as at December 31, 2022:

Expiry date	Opening balance #		Exercise price ($)	Warrants issued #	Warrants exercised #	Warrants expired #	Closing balance#
December 30, 2024	1,317,500	$	0.75	-	-	-	1,317,500
January 7, 2025	-		0.75	447,500	-	-	447,500
March 1, 2025	-		0.75	100,000	-	-	100,000
April 6, 2025	-		0.75	1,550,000	-	-	1,550,000
Total	**1,317,500**		**-**	**2,097,500**	**-**	**-**	**3,415,000**

iv. Options

The Company has a omnibus share incentive plan (the "Plan") which is restricted to directors, officers, key employees and consultants of the Company. The number of common shares subject to options granted under the Plan (and under all other management options and employee stock purchase plans) is limited to 10% in the aggregate and 5% with respect to any one optionee of the number of issued and outstanding common shares of the Company at the date of the grant of the option. Options issued under the Plan may be exercised during a period determined by the Board of Directors which cannot exceed ten years.

The continuity of stock options issued and outstanding are as follow:

Issued and outstanding:	Options outstanding (#)	Weighted average exercise price ($)
Balance, January 1, 2023	-	-
Granted	1,000,000	0.50
Outstanding at December 31, 2023	**1,000,000**	**0.50**

During the period ended December 31, 2023, there were no options exercised.

At December 31, 2023, the following options were outstanding and outstanding and exercisable:

	Outstanding		Outstanding and Exercisable	
Weighted average exercise price	Options #	Weighted average remaining life (years)	Options #	Weighted average remaining life (years)
$0.50	1,000,000	4.55	1,000,000	4.55

The Company applies the fair value method of accounting for all stock based compensation awards and accordingly, $195,121 was recorded as compensation for the year ended December 31, 2023.

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

	December 31, 2023
Risk-free interest rate	**3.684%**
Annualized volatility*	**88.62%**
Expected dividend	**NIL**
Expected option life	**5 years**
Expected forfeiture rate	**nil**
Share price**	**$0.31**

* Volatility based on similar publicly traded companies.

(Stated in Canadian Dollars)

** Based on the share price of the most recent common share financing, net of value allocated to warrants.

v. Restricted Share Unit Plan

The Company's omnibus share incentive plan allows for the Board of Directors to grant its employees non-transferable share units ("Restricted Share Unit" or "RSU") based on the value of the Company's share price at the date of grant. The awards have a graded vesting schedule over a three-year period. Under the Plan, the awards can be equity or cash settled immediately upon vesting. It is expected that all RSU's shall be settled through the issuance of common shares from treasury by the Company, and as such, the value of outstanding RSU's is included in share-based payment reserve within equity.

On July 21, 2023, the Company granted certain employees, directors and consultants restricted share units ("RSU") awards with a deemed value per RSU of $0.31, under which the holders have the right to receive an aggregate of 1,315,000 shares of the Company's common stock. The share-based payment related to these RSU's was calculated at $407,650, to be amortized equally in three separate tranches, with the final tranche vesting November 2025. The Company estimated a forfeiture rate of nil% for RSU's issued during the period, and has recorded $117,883 in share-based payments fo the portion of the untis that have vested during year ending December 31, 2023.

vi. Share-based payments

	Year ending December 31, 2023	2022
Stock option valuation	**$ 195,121**	$ -
RSU valuation	**117,883**	-
	$ 313,004	$ -

7. LOSS PER SHARE

The basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is the same as basic loss per share as the effect of common share purchase warrants, options and RSU's would be anti-dilutive.

	2023	2022
Numerator:		
Net loss	**(6,150,607)**	(4,455,239)
Denominator:		
Weighted average number of common shares	**24,991,118**	12,455,055
Weighted average loss per share	**(0.25)**	(0.36)

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8. INCOME TAXES

The Company's income tax benefit differs from the amount computed by applying the combined federal and provincial income tax rates to loss before income taxes as a result of the following:

	2023 $	2022 **$**
Loss for the year	**(8,874,794)**	(6,428,224)
Statutory rates	**25.00 %**	25.00 %
Income tax recovery computed at statutory rates	**(2,218,699)**	(1,607,056)
Increase in deferred tax assets not recognized	**554,838**	155,074
Non-deductible items	**80,665**	5,466
Impact of attributes renounced to shareholders (flow-through shares)	**1,583,196**	1,446,516
Impact of flow-through share premium	**(2,724,187)**	(1,972,985)
	(2,724,187)	(1,972,985)

Deferred tax assets not recognized

Management believes that it is not probable that sufficient taxable profits will be available in future years to allow the benefit of the following deductible temporary differences to be utilized:

Unused operation tax losses expiring 2041 to 2042	**2,703,591**	726,323
Other deductible temporary differences*	**393,218**	129,862

*Includes deductible temporary differences related to exploration and development for Federal tax purposes of $234,000 (2022 - $77,000). The deductible temporary differences for Québec purposes is $5,180,000 (2022 - $3,073,000) which is different from that for Federal tax purposes.

9. RELATED PARTIES

Key management personnel remuneration includes the following amounts:

	2023 $	2022 **$**
Salary and wages	**596,705**	267,922
Share-based payments	**244,711**	-
	841,416	267,922

10. COMMITMENTS

Flow-through renunciation

On March 26, 2022, the Company completed a flow-through financing to raise $500,000. The Company Renounced 100% of the flow-through raised in 2022 to investors as at December 31, 2022. The Company had until February 1, 2023 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Company as a result of this income tax legislation are charged to income in the period incurred. Of the $500,000 in flow-through financing raised in the March 26, 2022 financing, the Company has incurred $500,000 in exploration expenses, therefore fulfilling its obligation in relation to these renounced expenditures.

On April 6, 2022, the Company completed a flow-through financing to raise $2,635,000. The Company renounced 100% of the flow-through raised in 2022 to investors as at December 31, 2022. The Company had until February 1, 2023 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Company as a result of this income tax legislation are charged to income in the period incurred. Of the $2,635,000 in flow-through financing raised in the April 6, 2022 financing, the Company has incurred $2,635,000 in exploration expenses, therefore fulfilling its obligation in relation to these renounced expenditures.

On December 27, 2022, the Company completed a flow-through financing to raise $482,500. The Company renounced 100% of the flow-through raised in 2022 to investors as at December 31, 2022. The Company had until February 1, 2023 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Company as a result of this income tax legislation are charged to income in the period incurred. Of the $482,500 in flow-through financing raised in the December 27, 2022 financing, the Company has incurred $482,500 in exploration expenses, therefore fulfilling its obligation in relation to these renounced expenditures..

On February 2, 2023, the Company completed a flow-through financing to raise $6,107,887. The Company renounced 100% of the flow-through raised in 2023 to investors as at December 31, 2023. The Company has until February 1, 2024 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Company as a result of this income tax legislation are charged to income in the period incurred. Of the $6,107,887 in flow-through financing raised in the February 2, 2023 financing, the Company has incurred $3,582,033 in exploration expenses, and thus must incur expenses of $2,525,854 by December 31, 2024, to fulfil its obligation in relation to these renounced expenditures.

On February 2, 2023, the Company completed a Canadian Development Expense ("CDE") flow-through financing to raise $674,355. The Company renounced 100% of the flow-through raised in 2023 to investors as at December 31, 2023. The Company has until December 31, 2023 to incur the expenditures. Of the $674,355 in flow-through financing raised in the February 2, 2023 financing, the Company has incurred $674,355 in Canadian Development Expenses, therefore fulfilling its obligation in relation to these renounced expenditures..

On February 17, 2023, the Company completed a flow-through financing to raise $965,000. The Company renounced 100% of the flow-through raised in 2023 to investors as at December 31, 2023. The Company has until February 1, 2024 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Company as a result of this income tax legislation are charged to income in the period incurred. Of the $965,000 in flow-through financing raised in the February 17, 2023 financing, the Company has incurred $Nil in exploration expenses, and thus must incur expenses of $965,000 by December 31, 2024, to fulfil its obligation in relation to these renounced expenditures.

On November 28, 2023, the Company completed a flow-through financing to raise $501,249. The Company renounced 100% of the flow-through raised in 2023 to investors as at December 31, 2023. The Company has until February 1, 2024 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Company as a result of this income tax legislation are charged to income in the period incurred. Of the $501,249 in flow-through financing raised in the February 2, 2023 financing, the Company has incurred $Nil in exploration expenses, and thus must incur expenses of $501,249 by December 31, 2024, to fulfil its obligation in relation to these renounced expenditures.

On November 28, 2023, the Company completed a flow-through unit financing to raise $665,000. The Company renounced 100% of the flow-through raised in 2023 to investors as at December 31, 2023. The Company has until December 31, 2023 to incur the expenditures. Of the $665,000 in flow-through financing raised in the February 2, 2023 financing, the Company has incurred $Nil in exploration expenses, and therefore must incur expenses of $665,000 by December 31, 2024, to fulfil its obligation.

On December 28, 2023, the Company completed a flow-through financing to raise $198,750. The Company renounced 100% of the flow-through raised in 2023 to investors as at December 31, 2023. The Company has until February 1, 2024 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Company as a result of this income tax legislation are charged to income in the period incurred. Of the $198,750 in flow-through financing raised in the February 17, 2023 financing, the Company has incurred $Nil in exploration expenses, and thus must incur expenses of $198,750 by December 31, 2024, to fulfil its obligation in relation to these renounced expenditures.

11. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's operations include the acquisition and exploration of mineral properties in Canada. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors.

[a] Credit risk
Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of off-set exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

i) Trade credit risk
The Company is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

ii) Cash and cash equivalents
In order to manage credit and liquidity risk the Company invests only in highly rated investment grade instruments that have maturities of three months or less and are cashable at any time. Limits are also established based on the type of investment, the counterparty and the credit rate.

[b] Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

[c] Interest rate risk
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. The risk that the Company will realize a significant loss as a result of a decline in the fair market value is limited as the Company holds all of its funds in cash and cash equivalents.

The Company does not invest in derivatives to mitigate these risks.

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

12. MANAGEMENT OF CAPITAL RISK

The Company manages its share capital, equity-settled benefits and share subscriptions as capital, the balance of which is $13,879,384 at December 31, 2023 (2022 - $5,829,451). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going-concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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

13. SUBSEQUENT EVENTS

On March 14, 2024, the Company granted 1,570,000 options to acquire common shares to certain directors, officers, and consultants pursuant to its share option plan. The options vest immediately and are exercisable at a strike price of $0.75 per share for a period of five years from the date of grant.

On March 14, 2024, the Company granted certain employees, directors and consultants restricted share units ("RSU") awards with a deemed value per RSU of $0.75, under which the holders have the right to receive an aggregate of 813,000 shares of the Company's common stock. The RSU's vest equally in three separate tranches.

On April 3, 2024 the Company issued 400,000 common share units at a price of $0.75 per unit (the "April 2024 HD Unit") in respect of shares subscribed for during the year ended December 31, 2023. Each April 2024 HD Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, that entitles the holder to purchase one common share of the Company at a price of $0.75, expiring April 6, 2026.