Blue Star Gold Corp.

Consolidated Financial Statements

For the years ended November 30, 2023 and 2022

(Expressed in Canadian Dollars)

smythe

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BLUE STAR GOLD CORP.

Opinion

We have audited the consolidated financial statements of Blue Star Gold Corp. and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at November 30, 2023 and 2022;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at November 30, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,531,174 during the year ended November 30, 2023 and, as of that date, had an accumulated deficit of $18,446,141. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended November 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditors' report.

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Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Karen Ka Yee Cheng.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

March 12, 2024

BLUE STAR GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
As at November 30,

	Notes	2023	2022
ASSETS			
Current			
Cash and cash equivalent		$ 3,487,503	$ 1,055,101
Advances and deposits		58,893	142,455
Other receivables		20,725	41,205
Total current assets		3,567,121	1,238,761
Long-term deposits	6	2,814,741	3,070,779
Right-of-use assets	8	213,688	291,376
Equipment	7	290,836	411,260
Exploration and evaluation assets	9	25,772,052	22,894,902
Total assets		$ 32,658,438	$ 27,907,078
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 80,782	$ 117,238
Due to related parties	10, 16	252,978	233,168
Lease liabilities – short term	8	118,928	51,547
Loans payable – short term	11	-	2,214,310
Total current liabilities		452,688	2,616,263
Flow-through share premium liability	13	228,750	-
Loans payable – long term	11	1,652,450	-
Lease liabilities – long term	8	113,238	240,039
Total liabilities		2,447,126	2,856,302
Shareholders' equity			
Share capital	12	45,020,750	39,080,112
Obligation to issue shares	11, 12	72,854	-
Reserves – options	12	3,031,828	2,109,979
Reserves – warrants	12	532,021	238,349
Deficit		(18,446,141)	(16,377,664)
Total shareholders' equity		30,211,312	25,050,776
Total liabilities and shareholders' equity		$ 32,658,438	$ 27,907,078

Approved and authorized by the Board of Directors on March 12, 2024

"Kenneth R. Yurichuk"	*"Robert Metcalfe"*
Kenneth R. Yurichuk, Director	Robert Metcalfe, Director

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

BLUE STAR GOLD CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
For the years ended November 30,

	Notes	2023	2022
EXPENSES			
Accretion and interest	8, 11	$ 303,505	$ 267,313
Amortization	7	762	2,760
Amortization – ROU assets	8	102,839	154,156
Directors fee	10	125,179	100,000
Insurance		73,472	68,162
Investor and shareholder relations		257,989	677,951
Office and miscellaneous	8	162,325	79,728
Professional fees		169,053	174,890
Regulatory and transfer agent fees		36,945	25,722
Share-based compensation	10, 12	921,849	202,878
Salaries	10	630,177	607,226
Loss and comprehensive loss for the year before income tax		(2,784,095)	(2,360,786)
Deferred income tax recovery	11, 13	252,921	895,074
Loss and comprehensive loss for the year		$ (2,531,174)	$ (1,465,712)
Basic and diluted loss per common share		$ (0.04)	$ (0.03)
Weighted average number of common shares		68,526,154	56,285,597

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

BLUE STAR GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital						
	Number	Amount	Obligation to issue shares	Reserves - options	Reserves - warrants	Deficit	Total
Balance, November 30, 2021	53,139,838	$33,937,314	$ -	$ 1,907,101	$ 238,349	$(15,235,077)	$ 20,847,687
Shares issued in private placement	10,940,320	5,318,040	-	-	-	-	5,318,040
Finders' shares	85,943	55,863	-	-	-	-	55,863
Share issuance costs	-	(231,105)	-	-	-	-	(231,105)
Share-based compensation	-	-	-	202,878	-	-	202,878
Equity portion in shareholder's loan	-	-	-	-	-	323,125	323,125
Loss for the year	-	-	-	-	-	(1,465,712)	(1,465,712)
Balance, November 30, 2022	64,166,101	39,080,112	-	2,109,979	238,349	(16,377,664)	25,050,776
Shares issued in private placement	16,500,000	6,299,375	-	-	191,625	-	6,491,000
Finders' warrants	-	(102,047)	-	-	102,047	-	-
Share issuance costs	-	(293,117)	-	-	-	-	(293,117)
Equity portion in renewed shareholder's loan	-	-	109,281	-	-	-	109,281
Gain on renewal of shareholder's loan	-	-	-	-	-	462,697	462,697
Shares issued for loan bonus	98,451	36,427	(36,427)	-	-	-	-
Share-based compensation	-	-	-	921,849	-	-	921,849
Loss for the year	-	-	-	-	-	(2,531,174)	(2,531,174)
Balance, November 30, 2023	80,764,552	$45,020,750	$ 72,854	$ 3,031,828	$ 532,021	$(18,446,141)	$ 30,211,312

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

BLUE STAR GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
For the years ended November 30,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (2,531,174)	$ (1,465,712)
Items not affecting cash:		
Accretion and interest	303,505	267,313
Amortization	762	2,760
Amortization – ROU assets	102,839	154,156
Share-based compensation	921,849	202,878
Deferred income tax recovery	(252,921)	(895,074)
Changes in non-cash working capital items:		
Advances and deposits	83,562	153,311
Other receivables	20,480	97,865
Accounts payable and accrued liabilities	29,687	(6,879)
Due to related parties	19,810	32,927
Net cash used in operating activities	(1,301,601)	(1,456,455)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposit	256,038	(58,874)
Purchase of equipment	(100,912)	(79,825)
Government grant	250,000	-
Exploration and evaluation expenditures	(2,958,292)	(5,489,818)
Net cash used in investing activities	(2,553,166)	(5,628,517)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	6,719,750	6,061,477
Share issuance costs	(293,117)	(175,242)
Repayment of lease liabilities	(139,464)	(179,371)
Net cash provided by financing activities	6,287,169	5,706,864
Change in cash and cash equivalents during the year	2,432,402	(1,378,108)
Cash and cash equivalents, beginning of year	1,055,101	2,433,209
Cash and cash equivalents, end of year	$ 3,487,503	$ 1,055,101
Cash and cash equivalents are comprised of:		
Cash	287,503	1,055,101
Cash Equivalents	3,200,000	-

Supplemental disclosures with respect to cash flows (Note 14)

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

1. Nature of Operations

Blue Star Gold Corp. ("Blue Star" or the "Company") was incorporated on April 13, 2007 pursuant to the *Business Corporations Act* of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BAU" and on OTCQB under the symbol "BAUFF" and its corporate head office is located at 507 - 700 West Pender Street, Vancouver, BC, Canada V6C 1G8.

2. Basis of Presentation

a) Statement of compliance

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

These consolidated financial statements were authorized by the Board of Directors on March 12, 2024.

b) Going concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of its resource properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company incurred a loss of $2,531,174 during the year ended November 30, 2023 (2022 - $1,465,712) and had an accumulated deficit of $18,446,141 (2022 - $16,377,664) as at November 30, 2023. These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The outcome of these matters cannot be predicted at this time.

2. Basis of Presentation (continued)

c) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Ulu Mining Inc. and Inukshuk Exploration Incorporated ("Inukshuk"), both incorporated under the laws of British Columbia. All significant intercompany transactions have been eliminated upon consolidation. A subsidiary is an entity that the Company controls, either directly or indirectly. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

d) Functional and presentation currency

The Company and its wholly owned subsidiaries' reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the consolidated statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

e) Basis of measurement

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

f) Estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows.

Critical accounting estimates

i. Share-based compensation

Estimating the fair value of 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 rate of forfeitures, expected life, price volatility, interest rate, and dividend yield. Changes in the input assumptions can significantly affect the fair value estimate of the Company's earnings and reserves.

ii. Interest rates

The Company estimates a market interest rate in determining the fair value of the liability component of its loan payable and an incremental borrowing rate in determining the right-of-use asset. The determination of market interest rate is subjective and could significantly affect the fair value estimate.

2. Basis of Presentation (continued)

f) Estimates and judgments (continued)

Critical accounting judgments

i. Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

ii. Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

ii. Application of IFRS 16 *Leases*

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. Lease term reflects the period over which the lease payments are reasonably certain including renewal options that the Company is reasonably certain to exercise. The determination of lease terms involves significant judgment with respect to assumptions of whether lease extensions will be utilized. Management makes assumptions about long-term industry outlook which relate to future events and circumstances. Actual results could vary from these assumptions, and the differences could be material to the carrying value of the lease liabilities and right-of-use assets, for which the lease term is the basis for determining useful life.

iii. Flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

iv. Modification versus extinguishment of financial liability

Judgment is required in applying IAS 32 *Financial Instruments: Presentation* and *IFRS 9 Financial Instruments: Recognition and Measurement* to determine whether the amended terms of the loan payable are a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original loan payable.

3. Significant Accounting Policies

a) Exploration and evaluation assets

All costs related to the acquisition, exploration, and evaluation of mineral resource interests are capitalized by project. Costs incurred before the Company has obtained legal rights to explore an area are recognized in profit or loss. The Company recognizes the payment or receipt of amounts required under option agreements as an addition or reduction, respectively, in the book value of the property under option when paid or received.

Development expenditures incurred subsequent to a determination of the feasibility of mining operations and to increase or to extend the life of existing production, are capitalized and will be amortized using the unit-of-production method based upon estimated proven and probable reserves. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

The amounts shown for exploration and evaluation assets represent costs incurred to date, less recoveries, and do not necessarily reflect present or future values. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the projects, as well as future profitable production or proceeds from the disposition thereof.

b) Impairment of non-financial assets

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

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

c) Loss per share

The Company computes the dilutive effect of options, warrants, and similar instruments on loss per common share from the use of the proceeds that could be obtained upon exercise of options, warrants, and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the year.

3. Significant Accounting Policies (continued)

d) Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options granted to employees is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options vests. When stock options are exercised, share capital is increased by the sum of the consideration paid and the related portion of share-based compensation previously recorded in reserves.

Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of awards is calculated using the Black-Scholes option pricing model, which considers the following factors:

- Exercise price
- Expected life
- Expected volatility
- Forfeiture rate
- Current market price of underlying shares
- Risk-free interest rate
- Dividend yield

e) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and cashable guaranteed investment certificate that are readily convertible into known amounts of cash and subject to insignificant risk of change in value. As at November 30, 2023, the Company holds $3,200,000 (2022 - $nil) in guaranteed investment certificates which mature starting February 2024 to November 2024, earning interest at 4.65%.

3. Significant Accounting Policies (continued)

g) Government assistance

Government assistance for exploration is recognized when the Company has complied with all the conditions to receive the grant and collectability is reasonably assured. Government assistance is deducted from the cost of the assets to which it relates.

h) Share capital

Equity units

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common shares at the time of issuance, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance of flow-through shares, proceeds are allocated first to share capital up to the fair value of the common shares at the time of issuance, determined by reference to the quoted market price of the common shares on the issuance date, secondly to the warrants based on the fair value determined by the Black-Scholes option pricing model, and finally, with the residual amount of proceeds, if any, allocated to a flow-through share premium. The flow-through share premium represents the estimated premium investors pay for the flow-through feature and is recognized as a liability. Upon expenses being incurred, the Company derecognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the “Look-back” Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

i) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the production assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is amortized on the same basis as mining assets.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates, and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company’s estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation, and changes in estimates. Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit or loss for the period.

3. Significant Accounting Policies (continued)

j) Compound instruments

The loans payable were separated into their liability and equity components on issuance of the instruments. The liability component is initially recognized at fair value, calculated at the present value of the liability based upon debt instruments with no bonus shares, conversion feature, or warrants issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for debt instruments with similar terms at the time of issue. The residual value is then allocated to the equity component.

k) Financial instruments

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

Financial assets/liabilities	Classification
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Lease liabilities	Amortized cost
Loans payable	Amortized cost

i. Financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- The contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

3. Significant Accounting Policies (continued)

k) Financial instruments (continued)

i. Financial assets (continued)

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

ii. Financial liabilities

The Company classified financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial liability when the financial liability is discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the profit or loss.

Financial assets and liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3. Significant Accounting Policies (continued)

l) Equipment

Equipment is carried at cost less accumulated amortization and any impairment charges. The cost of an item of equipment includes the purchase price and related costs in bringing the item to the location and preparing the condition necessary for its intended use, as well the estimated costs of dismantling, removing the item, and restoring the site on which the item is installed.

Amortization expense of assets used in exploration are capitalized to exploration and evaluation assets. Amortization is recorded at rates designed to amortize the cost of capital assets over their estimated useful lives as follows:

Computer equipment	3 years
Office equipment	2 years
Camp and field equipment	3-5 years

m) Leases

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

- The contract involves the use of an identified asset, either explicitly or implicitly, including consideration of supplier substitution rights;
- The Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

The Company applies the exemption not to recognize right-of-use assets ("ROU") and lease liabilities for leases relating to low-value assets. The ROU asset is initially measured based on the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received. The ROU asset is depreciated to the end-of-the-useful-life or the lease term, whichever comes earlier, using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise the option. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method and remeasured when there is a change in future lease payments.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

n) New, amended, and future accounting pronouncements

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. Capital Management

Capital includes all the components of shareholders' equity as well as proceeds from loans. 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 acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in note 5.

The Company manages the capital structure and adjusts 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 issue new shares, enter into joint venture property arrangements, acquire or dispose of assets, or adjust the amount of cash.

To facilitate the management of its capital requirements, the Company prepares budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The budgets are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the year ended November 30, 2023. The Company is not subject to externally imposed capital requirements.

5. Management of Financial Risks

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments as at November 30, 2023 are as follows:

	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash and cash equivalents	$ 3,487,503	$ -	$ -
Financial liabilities at amortized costs			
Accounts payable and accrued liabilities	$ 80,782	$ -	$ -
Due to related parties	$ 252,978	$ -	$ -
Lease liabilities	$ -	$ 232,166	$ -
Loans payable	$ -	$ 1,652,450	$ -

5. Management of Financial Risks (continued)

The Company's financial instruments as at November 30, 2022 are as follows:

	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash and cash equivalents	$ 1,055,101	$ -	$ -
Financial liabilities at amortized costs			
Accounts payable and accrued liabilities	$ 117,238	$ -	$ -
Due to related parties	$ 233,168	$ -	$ -
Lease liabilities	$ -	$ 291,586	$ -
Loans payable	$ -	$ 2,214,310	$ -

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Fair value

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities, and amounts due to related parties approximated their fair value since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The lease liabilities and loans payable are classified as level 2 due as the fair value is determined based on indirectly observable market interest rates.

b) Interest rate risk

The Company has no significant exposure at November 30, 2023 or 2022 to interest rate risk through its financial instruments. The Company has a loan payable with fixed interest rate at 3% per annum.

c) Currency risk

As at November 30, 2023 and 2022, the majority of the Company's cash and cash equivalents was held in Canadian dollars, the Company's functional and reporting currency. The majority of the Company's accounts payable and accrued liabilities are denominated in Canadian dollars. Loan payable and lease liabilities outstanding as at November 30, 2023 and 2022 are denominated in Canadian dollars. Currency risk is not significant.

d) Credit risk

Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as substantially all amounts are held at major financial institutions. The credit risk associated with cash and cash equivalents is minimized by ensuring that these financial assets are placed with financial institutions with investment-grade ratings by a primary ratings agency.

(Expressed in Canadian dollars)

5. Management of Financial Risks (continued)

e) Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at November 30, 2023, the Company had cash and cash equivalents of $3,487,503 (2022 - $1,055,101) to settle current liabilities of $452,688 (2022 - $2,616,263).

The amounts listed below are the remaining contractual maturities for financial liabilities held by the Company as at November 30, 2023 and 2022.

	November 30, 2023		November 30, 2022	
Due Date	0 to 12 months	>12 months	0 to 12 months	>12 months
Accounts payable and accrued liabilities	$ 80,782	$ -	$ 117,238	$ -
Due to related parties	252,978	-	233,168	-
Loan payable	-	2,537,434	2,537,434	-
Lease liabilities	144,766	120,872	125,384	240,039
Total	$ 478,526	$ 2,658,306	$ 3,013,224	$ 240,039

6. Long-term Deposits

As at November 30, 2023, the Company has the following long-term deposits:

a) A deposit of $943,835 (2022 - $943,835) held with the Kitikmeot Inuit Association pursuant to its Land Use License for the Ulu Gold Project;

b) A deposit of $1,685,542 (2022 - $1,685,542) with Crown-Indigenous Relations and Northern Affairs Canada, in relation to the Ulu Water License issued by the Nunavut Water Board (“NWB”) for the reclamation liability of the mining license;

c) Advances of $126,490 (2022 - $382,528) for exploration and evaluation expenditures; and

d) A deposit of $58,874 (2022 - $58,874) for renewal of its office lease.

(Expressed in Canadian dollars)

7. Equipment

	Computer and office equipment	Camp and field equipment	Total
Cost			
Balance, November 30, 2021	$ 19,097	$ 622,225	$ 641,322
Additions	-	79,825	79,825
Balance, November 30, 2022	19,097	702,050	721,147
Additions	-	100,912	100,912
Balance, November 30, 2023	$ 19,097	$ 802,962	$ 822,059
Accumulated amortization			
Balance, November 30, 2021	$ 13,798	$ 105,948	$ 119,746
Additions	2,760	187,381	190,141
Balance, November 30, 2022	16,558	293,329	309,887
Additions	762	220,574	221,336
Balance, November 30, 2023	$ 17,320	$ 513,903	$ 531,223
Carrying amounts			
At November 30, 2022	$ 2,539	$ 408,721	$ 411,260
At November 30, 2023	$ 1,777	$ 289,059	$ 290,836

During the year ended November 30, 2023, amortization expenses of $220,574 (2022 - $187,381) were recorded into the exploration and evaluation assets.

8. Right-of-Use ("ROU") Assets and Lease Liabilities

Office lease

On August 19, 2020, the Company entered into an office lease agreement for a 24-month lease period starting October 1, 2020. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $328,839 and recognized lease liabilities of $328,839 on commencement of the lease. As at August 19, 2020, the Company measured the present value of its lease liabilities using a discount rate of 12% as determined from its incremental borrowing rate.

On May 5, 2022, the Company entered into an office lease agreement for a 36-month lease period starting October 1, 2022. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $308,516 and recognized lease liabilities of $308,516 on commencement of the lease. As at October 1, 2022, the Company measured the present value of its lease liabilities using a discount rate of 16% as determined from its incremental borrowing rate.

Equipment lease

On December 21, 2022, the Company entered into an equipment rental/purchase agreement for a 31-month lease period starting December 21, 2022. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $39,578 and recognized lease liabilities of $39,578 on commencement of the lease. On inception, the Company measured the present value of its lease liabilities using a discount rate of 0.2% as determined according to this agreement.

During the year ended November 30, 2023, the Company recorded amortization expense of $14,427 (2022 - $nil) into the exploration and evaluation assets.

(Expressed in Canadian dollars)

8. Right-of-Use ("ROU") Assets and Lease Liabilities (continued)

a) *Right-of-use assets*

A reconciliation of the Company's right-of-use assets for the years ended November 30, 2023 and 2022 is as follows:

		Total
Balance, November 30, 2021	$	137,016
Amortization of ROU		(137,016)
Initial recognition of new lease		308,516
Amortization of ROU		(17,140)
Balance, November 30, 2022		291,376
Initial recognition of new equipment lease		39,578
Amortization of ROU of office lease		(102,839)
Amortization of ROU of equipment lease		(14,427)
Balance, November 30, 2023	$	213,688

b) *Lease liabilities*

A reconciliation of the Company's lease liabilities for the years ended November 30, 2023 and 2022 is as follows:

		Total
Balance, November 30, 2021	$	151,000
Accretion of interest		7,413
Lease payments		(158,413)
Addition of new office lease		308,516
Accretion of interest		4,028
Lease payments		(20,958)
Balance, November 30, 2022	$	291,586
Addition of new equipment lease		39,578
Accretion of interest		40,465
Lease payments - office		(125,383)
Lease payments - equipment		(14,080)
Balance, November 30, 2023	$	232,166

		November 30, 2023		November 30, 2022
Short-term portion of lease liability	$	118,928	$	51,547
Long-term portion of lease liability	$	113,238	$	240,039

c) *Lease operating costs*

The Company pays about $8,000 per month for its leased office operating costs from October 1, 2022 to September 30, 2025. The total operating costs of approximately $96,000 (2022 - $16,000) are recorded in office and miscellaneous expenses in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2023.

(Expressed in Canadian dollars)

9. Exploration and Evaluation Assets

	Ulu Property (Nunavut)	***Hood River Property (Nunavut)***	***Roma Property (Nunavut)***	***Total***
Balance, November 30, 2021	$ 9,876,294	$ 7,142,336	$ 214,552	$ 17,233,182
Acquisition - cash	-	-	7,885	7,885
Exploration				
Amortization (Note 7)	93,690	93,691	-	187,381
Camp and supplies	2,072,586	-	-	2,072,586
Claim maintenance and filing fee	23,758	15,287	5,074	44,119
Community support	9,872	9,872	-	19,744
Consulting	32,600	12,100	-	44,700
Drilling and geological	1,037,759	801	-	1,038,560
Equipment rental	1,430	1,430	-	2,860
General exploration	763,492	180,943	237,917	1,182,352
Geochemistry and assay	257,947	20,540	16,328	294,815
Geophysical	30,100	75,229	113,879	219,208
Permits	-	33,612	-	33,612
Project manager	131,573	131,573	-	263,146
Remediation	241,952	-	-	241,952
Travel	-	-	8,800	8,800
Balance, November 30, 2022	14,573,053	7,717,414	604,435	22,894,902
Exploration				
Amortization (Notes 7 and 8)	117,501	117,500	-	235,001
Camp and supplies	1,132,422	-	-	1,132,422
Claim maintenance and filing fee	60,767	-	9,452	70,219
Consulting	16,450	-	-	16,450
General exploration	754,463	357,876	125,259	1,237,598
Geochemistry and assay	19,801	25,897	1,091	46,789
Geophysical	62,728	729	2,250	65,707
Permits	-	44,816	-	44,816
Project manager	63,411	63,411	-	126,822
Remediation	151,326	-	-	151,326
Government grant	(250,000)	-	-	(250,000)
Balance, November 30, 2023	$ 16,701,922	$ 8,327,643	$ 742,487	$ 25,772,052

9. Exploration and Evaluation Assets (continued)

a) Ulu Property

The Ulu Property consists of a renewable 21-year lease with an area of approximately 947 hectares and an expiry date of November 18, 2038.

On January 8, 2018, the Company and Mandalay Resources Corporation ("Mandalay") entered into an Ulu Property Option Agreement, which was further amended on July 19, 2019, pursuant to which, the Company acquired 100% of Ulu Property on February 10, 2020.

b) Hood River Property

The Company, through its subsidiary Inukshuk Exploration Inc. ("Inukshuk"), holds the Hood River Property in Nunavut through a 20-year renewable mineral exploration agreement ("MEA") dated June 1, 2013, issued by Nunavut Tunngavik Incorporated ("NTI").

On February 26, 2018, the Company signed a final Transaction Agreement (the "Definitive Agreement") and Net Smelter Royalty Agreement ("Royalty Agreement") to acquire 100% of the outstanding shares of Inukshuk, with an effective date as of September 18, 2014.

Under the terms of the Royalty Agreement in the Definitive Agreement, the Company will pay the following:

i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
ii. Make advance royalty payments totaling $500,000 (paid);
iii. Offer the vendor a right of conveyance if the Company abandons the Hood River Property; and
iv. Maintain the Hood River Property in good standing during the conveyance period.

Prior to the commencement of commercial production on the Hood River Property, the Company has the option to acquire up to 2% of the NSR for up to $8,000,000 under the following terms:

i. Purchase an initial 0.5% of the NSR for $1,000,000;
ii. Purchase an additional 0.5% of the NSR for an additional $1,500,000;
iii. Purchase an additional 0.5% of the NSR for an additional $2,500,000; and
iv. Purchase an additional 0.5% of the NSR for an additional $3,000,000.

On January 25, 2022, the Company signed an amended Hood River MEA with NTI resulting in an expansion of the project area by approximately 40%. The project area now encompasses 11,203 hectares.

c) Roma Property

On February 17, 2021, the Company entered into a Property Purchase Agreement to acquire 100% interest in nine mineral claims ("Roma") located in Nunavut. The Company issued 75,000 shares (fair valued at $67,500) on February 22, 2021 and reimbursed all expenses ($22,230) in connection with staking the claims.

In January 2022, the Company staked additional claims at a cost of $7,885.

Also in January 2022, the Company entered into a 20-year renewable mineral exploration agreement ("MEA") with NTI for an exploration area of 4,119 hectares. Upon signing the MEA, the Company paid the first-year lease fee and the administration fee totaling $4,619.

9. Exploration and Evaluation Assets (continued)

d) Government grant

During the year ended November 30, 2023, the Company received government grants of $250,000 (2022 - $nil) from the Government of Nunavut (the "GN"). The Company recorded $250,000 as reduction of the exploration and evaluation assets as the GN's contribution is towards mineral expenditure incurred by the Company for the 2022-2023 period that has been incurred and approved.

Title to resource properties

Although the Company has taken steps to verify the title to exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are permitted to lapse.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material, and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

(Expressed in Canadian dollars)

10. Related Party Transactions and Key Management Compensation

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

As at November 30, 2023, $252,978 (2022 - $233,168) was due to directors and officers of the Company:

	November 30, 2023	November 30, 2022
CFO	$ 13,000	$ 11,924
Former CEO*	168,000	168,000
Directors	71,978	53,244
	$ 252,978	$ 233,168

*The Company's CEO was terminated during the year ended November 30, 2020 (Note 16).

During the years ended November 30, 2023 and 2022, the Company entered into the following transactions with related parties:

	Year ended November 30, 2023	Year ended November 30, 2022
Salary – CEO	$ 215,050	$ 204,000
Salary – Spouse of CEO, Office, and Human Resource Manager	110,850	124,980
Management fee – CFO	139,150	132,000
Directors fees	125,179	100,000
Share-based compensation (Note 12) – 1,550,000 (2022 - 375,000) options were granted to directors and officers	533,368	100,144
	$ 1,123,597	$ 661,124

11. Loan Payable

On November 21, 2019, the Company entered into a loan agreement with Dr. Georg Pollert. The loan principal amount is $2,435,542.

On November 21, 2022, the loan principal of $2,435,542 and unpaid interest balance of $101,892, totaling $2,537,434, was extended for one year interest free. The Company measured the present value of the loan as at $2,214,310 at 10% at the original effective interest rate. The interest benefit of $323,125 measured at the renewal date is recorded into shareholders' equity as Dr. Pollert is a major shareholder and a director of the Company.

On April 26, 2023, the maturity date was further extended to August 21, 2024. In accordance with IFRS 9, the Company determined the changes to the term of the loan was not significant to be considered an extinguishment, and as such, has been accounted for as a modification of financial liability. Accordingly, the Company recognized a gain of $55,923 on modification in deficit.

(Expressed in Canadian dollars)

11. Loan Payable (continued)

On October 5, 2023, the Company entered into a new loan agreement with Dr. Georg Pollert to renew the above loan with the principal amount of $2,537,435. The loan has a term of three years and bears interest at 3% per annum. In relation to the loan, the Company intends to issue up to 295,354 bonus shares with the first tranche of 98,541 bonus shares issued on October 25, 2023. In connection with the bonus shares described above, the Company initially recognized an obligation to issue shares of $109,281. The Company also recorded a gain on extinguishment of the original loan of $462,697 in deficit.

For accounting purposes, the loans with bonus shares were considered a hybrid financial instrument and were allocated into corresponding debt and equity components at the date of issue. The Company used the residual value method to allocate the principal amount of the loans between the liability and obligation to issue shares component. The Company valued the debt component of the loan agreements by calculating the present value of principal and interest payments, discounted at a rate of 21% which represents managements best estimate of the rate that a loan without bonus shares would earn. The debt component is subsequently accreted to the face value of the loan agreements with an effective interest rate of 19%.

	Liability Component	Obligation to issue shares
Balance at November 30, 2021	$ 2,281,562	$ -
Accretion and interest	255,873	-
Interest benefit measured at renewal	(323,125)	-
Balance at November 30, 2022	2,214,310	$ -
Accretion and interest	211,281	-
Gain on modification of loan	(55,923)	-
Derecognition of old loan – liability portion	(2,369,668)	-
Recognition of renewed loan	1,600,692	109,281
Accretion of interest	51,758	-
Bonus shares issued	-	(36,427)
Balance at November 30, 2023	$ 1,652,450	$ 72,854

	November 30, 2023	November 30, 2022
Short-term portion of liability	$ -	$ 2,214,310
Long-term portion of liability	$ 1,652,450	$ -

12. Share Capital and Reserves

a) Authorized

Unlimited number of common shares without par value.

b) Share issuances

At November 30, 2023, the Company had 80,764,552 (2022 - 64,166,101) common shares issued and outstanding.

During the year ended November 30, 2023:

i. On May 25, 2023, the Company closed a non-brokered private placement by issuing 6,250,000 share units (each a "Unit") at $0.40 per Unit for gross proceeds of $2,500,000. Each Unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable at $0.50 per share until May 25, 2025. The Company allocated $62,500 from share capital to warrant reserves. The Company paid legal and filing fees of $21,006.

ii. On July 20, 2023, the Company closed a non-brokered private placement by issuing 700,000 flow-through share units (each a "FT Unit") at a price of $0.42 per FT Unit, and 1,175,000 charitable flow-through share units (each, a "Charitable FT Unit") at a price of $0.49 per Charitable FT Unit raising total gross proceeds of $869,750. Each FT Unit and each Charitable FT Unit consists of one flow-through share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable at $0.50 per share until July 20, 2025. Of the proceeds, $129,125 is allocated from share capital to warrant reserves and $nil to flow-through premium liability. The Company paid finder's fees of $52,185, issued 112,500 finder's warrants valued at $17,647, and paid legal and filing fees of $11,582.

iii. The Company issued 98,451 bonus shares (fair valued at $36,427) to Dr. Georg Pollert in relation to a loan of $2,537,435 the Company renewed on October 5, 2023 (Note 11).

iv. On November 3, 2023, the Company closed the first tranche of a non-brokered private placement by issuing 4,750,000 flow-through share shares (each a "FT Share") at a price of $0.40 per FT Share, raising total gross proceeds of $1,900,000, of which $47,500 is recorded as FT share premium liability. The Company paid finder's fees of $114,000, issued 285,000 finder's warrants valued at $51,857.

v. On November 22, 2023, the Company closed the second tranche of a non-brokered private placement by issuing 3,625,000 FT Share at a price of $0.40 per FT Share, raising total gross proceeds of $1,450,000, of which $181,250 is recorded as FT share premium liability. The Company paid finder's fees of $87,000, issued 217,500 finder's warrants valued at $32,543, and paid legal and filing fees of $7,344.

During the year ended November 30, 2022:

i. On June 23, 2022, the Company closed a non-brokered private placement by issuing 3,077,000 common shares (each a "Share") at $0.65 per Share, 2,523,289 flow-through shares (each a "FT Share") at a price of $0.73 per FT Share, and 1,340,031 charitable flow-through common shares (each, a "Charitable FT Share") at a price of $0.91 per Charitable FT Share raising total gross proceeds of $5,061,479, of which $743,439 recorded as FT share premium liability. The Company paid finder's fees of $134,520, issued 85,943 finder's shares valued at $55,863, and paid legal and filing fees of $35,222.

ii. On November 24, 2022, the Company closed a non-brokered private placement by issuing 4,000,000 common shares at $0.25 per share for total proceeds of $1,000,000. The Company paid legal and filing fees of $5,500.

12. Share Capital and Reserves (continued)

c) Stock options

The Company has a stock option plan under which the aggregate number of common shares to be reserved for exercise of all options granted under the plan and any other share compensation arrangement shall not exceed 10% of the issued shares of the Company at the time of granting of options. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relations or consulting services up to a limit of 5% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. Options granted to consultants providing investor relations services shall vest at a minimum over a period of twelve months with no more than one-quarter of such options vesting in any three-month period.

On November 10, 2023, the Company granted to IR consultants 50,000 stock options, exercisable at $0.385 per share for a term of two years. These options vested 25% on the date of grant, and then 25% every three months. The fair value of the stock options granted was $9,086 ($0.18 per option), of which $1,034 is recorded in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2023.

On May 2, 2023, the Company granted to directors, officers, and consultants 2,650,000 stock options, exercisable at $0.43 per share for a term of five years. These options vested on the date of grant. The fair value of the stock options granted was $911,888 ($0.34 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

On October 18, 2022, the Company granted to an employee 100,000 stock options, exercisable at $0.40 per share for a term of five years. These options vested on January 17, 2023. The fair value of the stock options was $16,925 ($0.23 per option) valued at the grant date, of which $7,998 was recorded in the consolidated statements of loss and comprehensive loss as of November 30, 2022, with the remaining balance of $8,927 recorded in the consolidated statement of loss and comprehensive loss on January 17, 2023, the vesting date.

On March 30, 2022, the Company granted to directors, officers, and consultants 700,000 stock options, exercisable at $0.50 per share for a term of five years. These options vested on the date of grant. The fair value of the stock options granted was $186,935 ($0.27 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

On January 20, 2022, the Company granted to a consultant 50,000 stock options, exercisable at $1.10 per share for a term of two years. These options vested on the date of grant. These options vested on the date of grant. The fair value of the stock options granted was $7,945 ($0.16 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

12. Share Capital and Reserves (continued)

c) Stock options (continued)

The fair value of the stock options granted was determined using the Black-Scholes option price model with the following weighted average assumptions:

Weighted average assumptions	**Year ended November 30, 2023**	**Year ended November 30, 2022**
Risk free interest rate	3.09%	2.48%
Volatility	110.23%	116.51%
Expected life of options	4.94 years	4.8 years
Dividend rate	0%	0%

Expected volatility is based on the historical volatility of the Company's market share price. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2021	1,940,000	$ 1.07
Granted	850,000	0.52
Expired/forfeited	(120,000)	1.05
Balance, November 30, 2022	2,670,000	0.90
Granted	2,700,000	0.43
Expired/forfeited	(500,000)	0.84
Balance, November 30, 2023	4,870,000	$ 0.64
Exercisable, at November 30, 2023	4,832,500	$ 0.65

At November 30 2023, the Company has the following outstanding stock options outstanding:

Number of Options	Exercise Price	Expiry Date
760,000	$ 1.11	December 17, 2023 (subsequently expired)
120,000	$ 1.25	August 7, 2025
60,000	$ 1.25	October 17, 2024
535,000	$ 1.10	October 17, 2024
25,000	$ 1.10	June 28, 2024
50,000	$ 1.10	January 20, 2024 (subsequently expired)
570,000	$ 0.50	March 30, 2027
100,000	$ 0.40	October 18, 2027
2,600,000	$ 0.43	May 2, 2028
50,000	$ 0.385	November 10, 2025

(Expressed in Canadian dollars)

12. Share Capital and Reserves (continued)

d) Warrants

On May 25, 2023, the Company closed a non-brokered private placement by issuing 6,250,000 share units (each a "Unit") at $0.40 per Unit for gross proceeds of $2,500,000. Each Unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable at $0.50 per share until May 25, 2025. The Company allocated $62,500 ($0.01 per warrant) from share capital to warrant reserves.

On July 20, 2023, the Company closed a non-brokered private placement by issuing 700,000 flow-through share units (each a "FT Unit") at a price of $0.42 per FT Unit, and 1,175,000 charitable flow-through share units (each, a "Charitable FT Unit") at a price of $0.49 per Charitable FT Unit raising total gross proceeds of $869,750, of which $129,125 is allocated to warrant reserves. Each FT Unit and each Charitable FT Unit consists of one flow-through share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable at $0.50 per share until July 20, 2025.

On July 20, 2023, the Company issued 112,500 finder's warrants valued at $17,647 ($0.22 per warrant). The finders' warrants are exercisable at $0.50 per share until July 20, 2025.

On November 3, 2023, the Company issued 285,000 finder's warrants valued at $51,857 ($0.18 per warrant). The finders' warrants are exercisable at $0.40 per share until November 3, 2025.

On November 22, 2023, the Company issued 217,500 finder's warrants valued at $32,543 ($0.15 per warrant). The finders' warrants are exercisable at $0.40 per share until November 22, 2025.

The fair value of the finders' warrants was determined using the Black-Scholes option price model with the following weighted average assumptions:

Weighted average assumptions	**Year ended November 30, 2023**	**Year ended November 30, 2022**
Risk free interest rate	4.51%	-
Volatility	83.22%	-
Expected life of options	2 years	-
Dividend rate	0%	-

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2021 and 2022	2,798,910	$ 1.03
Issued	4,677,500	0.49
Expired	(2,798,910)	1.03
Balance, November 30, 2023	4,677,500	$ 0.49
Exercisable, at November 30, 2023	4,677,500	$ 0.49

(Expressed in Canadian dollars)

12. Share Capital and Reserves (continued)

d) Warrants (continued)

As at November 30, 2023, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,050,000	$ 0.50	July 20, 2025
3,125,000	$ 0.50	May 25, 2025
285,000	$ 0.40	November 3, 2025
217,500	$ 0.40	November 22, 2025

13. Flow-Through Share Premium Liabilities

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.

	Issued in fiscal year ended November 30, 2021	Issued on June 23, 2022	Issued on July 20, 2023	Issued in November, 2023	Total
Balance, November 31, 2021	$ 151,637	$ -	$ -	$ -	$ 151,637
Flow-through share premium on issuance of shares	-	743,437	-	-	743,437
Settlement of flow-through share liability on incurring expenses	(151,637)	(743,437)	-	-	(895,074)
Balance, November 30, 2022	-	-			-
Flow-through share premium on issuance of shares	-	-	-	228,750	228,750
Settlement of flow-through share liability on incurring expenses	-	-	-	-	-
Balance, November 30, 2023	$ -	$ -	$ -	$ 228,750	$ 228,750

During the year ended November 30, 2022:

On June 23, 2022, the Company raised $3,061,429 through the issuance of 2,523,289 flow-through shares (each a "FT Share") at a price of $0.73 per FT Share, and 1,340,031 charitable flow-through common shares (each, a "Charitable FT Share") at a price of $0.91 per Charitable FT Share. A flow-through liability of $743,437 (premium of $0.13 per FT Share and $0.31 per Charitable FT Share) was recognized on the issuance date. As at November 30, 2022, the Company incurred all of the $3,061,429 qualified expenditures.

(Expressed in Canadian dollars)

13. Flow-Through Share Premium Liabilities (continued)

During the year ended November 30, 2023:

On July 20, 2023, the Company closed a non-brokered private placement by issuing 700,000 flow-through share units (each a "FT Unit") at a price of $0.42 per FT Unit, and 1,175,000 charitable flow-through share units (each, a "Charitable FT Unit") at a price of $0.49 per Charitable FT Unit raising total gross proceeds of $869,750, of which $nil is recorded as FT share premium liability. As at November 30, 2023, the Company incurred all of the $869,750 qualified expenditures.

In November 2023, the Company raised $3,350,000 through the issuance of 8,375,000 flow-through shares (each a "FT Share") at a price of $0.40 per FT Share. A flow-through liability of $228,750 was recognized on the issuance date. As at November 30, 2023, the Company has an outstanding expenditure commitment of $3,350,000 to be incurred by December 2024.

On satisfaction of the flow-through expenditure commitment, a deferred income tax recovery of $nil (2022 - $895,074) was recorded on the consolidated statements of loss and comprehensive loss.

14. Supplement Disclosure with Respect to Cash Flows

	November 30, 2023	November 30, 2022
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 2,883	$ 69,026
Exploration and evaluation expenditures included in long-term deposits	$ 126,490	$ 382,528
Finders' warrants in share issue costs	$ 102,047	$ -
Flow-through share premium liability	$ 228,750	$ 743,437
Amortization in exploration and evaluation assets	$ 235,001	$ 187,381
Recognition of ROU assets and lease liability	$ 39,578	$ 308,516
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

15. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At November 30, 2023 and 2022, the Company's long-term deposits, right-of-use assets, equipment, and exploration and evaluation assets are located in Canada. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.

16. Litigation

On June 13, 2022, Stephen Wilkinson (the "Plaintiff"), the former CEO of the Company, filed a Notice of Civil Claim at the Supreme Court of BC to claim wrongful dismissal and breach of contract. The Plaintiff requested for compensation of 24 months of salary, bonus and other additional loss and damages. The Company has engaged legal counsel to defend itself against the claim.

As of November 30, 2023, the Company accrued $168,000 (2022 - $168,000) in due to related parties, which equals the Plaintiff's salary for 12 months.

(Expressed in Canadian dollars)

17. Income Taxes

As at November 30, 2023, the Company had accumulated non-capital losses for tax purposes in Canada of approximately $14,922,000. The losses expire as follows:

2027	$	11,000
2028		21,000
2029		133,000
2030		294,000
2031		368,000
2032		383,000
2033		280,000
2034		407,000
2035		1,008,000
2036		690,000
2037		611,000
2038		758,000
2039		1,257,000
2040		2,344,000
2041		2,262,000
2042		2,187,000
2043		1,908,000
	$	**14,922,000**

Income tax expense (recovery) differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.00% (2022 - 27.00%) to income before income taxes. A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		2023		**2022**
Net loss for the year	$	(2,531,174)	$	(1,465,712)
Statutory income tax rate		27%		27%
Income tax benefit computed at statutory tax rate		(683,417)		(395,742)
Items not deductible for income tax purposes		249,155		55,240
Over provided in prior years		4,640		753,826
Unused tax losses and tax offsets not recognized		176,701		(413,324)
Deferred income tax expense (recovery)	**$**	**(252,921)**	**$**	**-**

(Expressed in Canadian dollars)

17. Income Taxes (continued)

Deferred tax assets and liabilities

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the Company will generate sufficient taxable income to utilize its deferred tax assets. The tax effected items that give rise to significant portions of the deferred income tax liabilities at November 30, 2023 and 2022 are presented below:

		2023		2022
Deferred tax liabilities:				
Exploration and evaluation assets	$	(2,297,087)	$	(1,986,704)
Loans payable		(240,658)		-
Deferred tax assets				
Non-capital losses carry-forwards		2,537,745		1,986,704
Deferred income tax expense	**$**	**-**	**$**	**-**

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of November 30 are as follows:

		2023		2022
Non-capital losses carried forward	$	5,522,792	$	5,672,556
Equipment		580,620		359,284
Flow-through premium		228,750		-
Investment tax credits		79,102		79,102
Share issue costs		586,206		543,712
Loan payable		-		42,959
Unrecognized deductible temporary differences	**$**	**6,997,470**	**$**	**6,697,613**

18. Event subsequent to the reporting period

On December 13, 2023, the Company closed the final tranche of a non-brokered private placement by issuing 1,131,250 flow-through share shares (each a “FT Share”) at a price of $0.40 per FT Share, raising total gross proceeds of $$452,500, of which $16,969 is recorded as FT share premium liability. The Company paid finder’s fees of $27,000 and issued 67,500 finder’s warrants valued at $11,636.