XAU Resources Inc.

Financial Statements
(Expressed in Canadian Dollars)

For the years ended

October 31, 2022 and 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of XAU Resources Inc.

Opinion

We have audited the financial statements of XAU Resources Inc. (the "Company"), which comprise the statement of financial position as at October 31, 2022 and 2021 and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above when it becomes available 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 the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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.

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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.

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.

The engagement partner on the audit resulting in this independent auditor's report is Stephen McCourt.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
February 27, 2023
Toronto, Ontario

XAU RESOURCES INC.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	October 31, 2022 $	October 31, 2021 $
Assets		
Current Assets		
Cash	612,153	199,235
Prepaid Expenses	2,046	-
Total Current Assets	614,199	199,235
Total Assets	**614,199**	**199,235**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	46,569	38,287
Total Liabilities	**46,569**	**38,287**
Shareholders' Equity		
Share capital (Note 3)	1,470,506	531,767
Contributed surplus (Note 3)	163,450	86,467
Deficit	(1,066,326)	(457,286)
Total Shareholders' Equity	567,630	160,948
Total Liabilities and Shareholders' Equity	**614,199**	**199,235**

On Behalf of the Board:

"Andrey Maruta" CFO   "Gairat Gary Bay" Director

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

XAU RESOURCES INC.
STATEMENT OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the year ended October 31 2022 $	For the year ended October 31 2021 $
Expenses		
Exploration and evaluation (Note 4)	265,289	-
Professional fees	212,705	161,134
Stock based compensation (Note 3)	74,331	-
Registration and filing	33,206	31,747
Administrative expenses	25,538	-
Total expenses	**611,069**	**192,881**
Other income		
Interest	2,029	-
Total other income	**2,029**	**-**
Loss and comprehensive loss	**(609,040)**	**(192,881)**
Loss per common share	**(0.08)**	**(0.04)**
Weighted average number of common shares outstanding	**7,476,432**	**4,524,925**

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

XAU RESOURCES INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital				
	Shares	**Amount** $	**Contributed Surplus** $	**Deficit** $	**Total** $
Balance, October 31, 2020	**8,611,500**	**531,767**	**86,467**	**(264,405)**	**353,829**
Loss for year	-	-	-	(192,881)	(192,881)
Balance, October 31, 2021	**8,611,500**	**531,767**	**86,467**	**(457,286)**	**160,948**
Shares issued	4,000,000	1,000,000	-	-	1,000,000
Stock based compensation	-	-	74,331	-	74,331
Finder warrants issued	-	(2,652)	2,652	-	-
Share issuance costs		(58,609)	-	-	(58,609)
Loss for year	-	-	-	(609,040)	(609,040)
Balance, October 31, 2022	**12,611,500**	**1,470,506**	**163,450**	**(1,066,326)**	**567,630**

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

XAU RESOURCES INC.
STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the year ended October 2022 $	For the year ended October 2021 $
Cash Flows from Operating Activities		
Loss for the year	(609,040)	(192,881)
Non cash adjustments:		
Stock based compensation	74,331	-
Changes in non-cash working capital items:		
Prepaid expenses	(2,046)	-
Accounts payable and accrued liabilities	8,282	25,683
Net cash used in operating activities	**(528,473)**	**(167,198)**
Cash Flows from Financing Activities		
Proceeds from share issuances, net of share issuance costs	941,391	-
Net cash provided by financing activities	**941,391**	**-**
Change in cash	412,918	(167,198)
Cash, beginning of the year	199,235	366,433
Cash, end of the year	**612,153**	**199,235**
Supplementary information		
Warrants issued for share issuance costs	2,652	-

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

1. NATURE OF OPERATIONS

XAU Resources Inc. (the "Company") was incorporated under the Canada Business Corporations Act on June 18, 2018. The Company completed an Initial Public Offering ("IPO") and was classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company was the identification and evaluation of assets or a business (Qualifying Transaction) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. The Company's shareholders approved the removal of policies related to the consequences associated with not completing the Qualified Transaction within 24 months of the listing date in accordance with the new CPC policies.

The Company completed the Qualifying Transaction on June 20, 2022. As part of the Qualifying Transaction, the subscription receipts issued by the Company on March 7, 2022, pursuant to a non-brokered private placement were automatically converted to 4,000,000 common shares of the resulting issuer.

On October 21, 2021, the Company entered an option agreement to acquire an undivided 100% interest in the "Noseno Project" located approximately two-hundred kilometers west of Georgetown, Guyana. The Noseno Project comprises 37 licenses covering 37,623 acres, together with 100% of the mineral and mining rights attached thereto or derived therefrom (see Note 4). The mineral properties may potentially expose the Company to risks and considerations not normally associated with exploration activities in North America. The Company's ability to retain its properties, raise and deploy capital may be adversely affected by changes in governing regimes, policies, laws, and regulations, all of which are beyond the Company's control.

The Company's head office, principal address and registered and records office is located at Suite 4100, 66 Wellington Street West, Toronto, Ontario, Canada, M5K 1B7.

These financial statements were authorized for issue by the Board of Directors on February 27, 2023

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee as of October 31, 2022.

The financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

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

Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Significant estimates included in these financial statements include the valuation of share-based payments.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

These 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant estimates included in these financial statements include the valuation of share-based payments.

There have been no significant judgements made by management in the application of IFRS that have a significant effect on these financial statements.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(i) Financial assets

The Company adopted IFRS 9, Financial Instruments, on its incorporation. IFRS 9 replaces International Accounting Standards (IAS) 39, Financial Instruments: Recognition and Measurement.

Classification

The Company classifies its financial assets in the following measurement categories:
those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Company classifies all financial assets as held at amortized cost. Cash is classified as a financial asset and measured at FVTPL.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair value through OCI (FVOCI): Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

(ii) Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Company optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Company classifies all of its financial liabilities as held at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

Exploration and evaluation expenses

All expenditures on exploration and evaluation activities, including costs incurred to acquire and secure exploration property licenses, are recorded as exploration expenses until it has been established that a mineral property is commercially viable and technically feasible.

Foreign currency transactions

Transactions in foreign currencies are translated to Canadian dollars at exchange rates in effect on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the period end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Canadian dollars at the exchange rate in effect on the date that the fair value was determined. Foreign currency differences arising on translation are recognized in the statement of loss and comprehensive loss.

Share-based compensation

The Company has a share-based compensation plan that is described in note 3. The Company accounts for share options using the fair value method. Each tranche in an award is considered separate award with its own vesting period and grant date fair value. The fair value of each tranche of options issued to employees and others providing similar services is determined by using the Black-Scholes option pricing model. The fair value of each tranche of options issued to non-employees is determined by the fair value of the goods or services. If the fair value of goods or services received cannot be reliably measured, then the Black-Scholes option pricing model is used.

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The fair value of stock options, adjusted for expected forfeitures, is recognized as share-based payments expense over each tranche's vesting period with an offsetting credit charges to contributed surplus. The applicable contributed surplus is transferred to share capital if and when, the stock options are exercised. Any consideration paid on the exercise of stock options is credited to share capital.

Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate to, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Income taxes

Income tax 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 the income tax is also recognized directly in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non- discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Loss per Share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants and convertible loan, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised, and the convertible loans were converted and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the periods presented, the calculations proved to be anti-dilutive.

Asset Retirement Obligation

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after November 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the financial statements.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

3. SHARE CAPITAL

Common Shares

Authorized

Unlimited number of common shares with no par value.

Issued

On June 18, 2018, the Company issued 4,000,000 shares at a price of $0.05 per share for gross proceeds of $200,000 pursuant to a private placement. All common shares issued are subject to escrow restrictions upon the completion of the IPO and will be released from escrow in tranches over 36 months from its listing on the TSX- V. On June 29, 2021, shareholders approved certain amendments to align terms of the agreement to the Exchange's amended policy. The shares will be released from escrow in tranches over 18 months from the date of Final QT Exchange Bulletin as per the following schedule:

Release Dates	Percentage to be released
Date of Final QT Exchange Bulletin - June 20, 2022	25%
Date 6 months following Final QT Exchange Bulletin	25%
Date 12 months following Final QT Exchange Bulletin	25%
Date 18 months following Final QT Exchange Bulletin	25%
Total	100%

On July 18, 2019, the Company completed its IPO of 4,411,500 common shares at a purchase price of $0.10 per common share for aggregate proceeds of $441,150.

Hampton Securities Limited (the "Agent") acted as agent for the IPO. In connection with the IPO, the Agent received a cash commission of $44,115, equal to 10% of the aggregate gross proceeds from the sale of the common shares. In addition, the Company reimbursed the Agent's legal fees in the amount of $25,262 and corporate finance fees of $26,625.

On April 24, 2020, the Company closed the private placement of 200,000 shares at a price of $0.05 per share for gross proceeds of $10,000

On June 20, 2022, on closing of the qualifying transactions, the Company issued 4,000,000 shares priced at $0.25 per share for gross proceeds of $1,000,000. Of the 4,000,000 shares, 1,277,689 shares are held in escrow and will be released based on the following schedule:

(Expressed in Canadian Dollars)

3. SHARE CAPITAL, CONTINUED

Release Dates	Percentage to be released
Date of Final QT Exchange Bulletin - June 20, 2022	10%
Date 6 months following Final QT Exchange Bulletin	15%
Date 12 months following Final QT Exchange Bulletin	15%
Date 18 months following Final QT Exchange Bulletin	15%
Date 24 months following Final QT Exchange Bulletin	15%
Date 30 months following Final QT Exchange Bulletin	15%
Date 36 months following Final QT Exchange Bulletin	15%
Total	100%

As at October 31, 2022, of the total shares issued and outstanding, 4,224,920 shares are held in escrow.

Stock Options

A summary of stock option activity during the year ended October 31, 2022, is as follows:

	Number of options	**Weighted average exercise price**	**Weighted average remaining life**
Outstanding, October 31, 2021	822,222	$ 0.10	1.72
Granted on June 20, 2022	400,000	$ 0.25	4.64
Outstanding, October 31, 2022	1,222,222	$ 0.15	2.67

The Company has a common share purchase option plan (the "Plan") for directors, officers, employees, and consultants. The number of common shares reserved for issuance pursuant to the Plan is equal to 10% of the Company's issued and outstanding common shares at the time of grant. The number of common shares reserved for issuance or granted to any insiders, within any twelve-month period, will not exceed 10% of the issued and outstanding common shares at the date of the grant. Options granted under the Plan have a five-year term. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSX Venture Exchange at the time of the grant.

The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the Optionee's position with the Company, subject to the expiry date of such option.

Any common shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction will be subject to escrow restrictions until the issuance of the Final Exchange Bulletin.

(Expressed in Canadian Dollars)

3. SHARE CAPITAL, CONTINUED

The Company adopted an incentive stock option plan on June 29, 2021. The plan allows the ability to issue options to purchase up to 10% of The Company's issued and outstanding common shares as at the closing of their IPO. This is in accordance with the new CPC policy permitting the Company to adopt a "10% rolling stock option plan" such that the total number of Common Shares that may be reserved for issuance pursuant to options under the Plan may not exceed 10% of the Common Shares issued and outstanding at the date of grant. This new CPC policy came in effect on January 1, 2021.

On June 20, 2022, the Company issued 400,000 options to its directors at an exercise price of $0.25 per share. The options vest immediately upon grant and the optionee will be entitled to exercise said option to purchase shares in accordance with the Plan. The options expire on June 20, 2027. The fair value of options was computed as $74,331, and recorded as Stock based compensation in the Statement of Comprehensive loss, based on Black Scholes Pricing model, using the following assumptions:

Number issued	400,000
Share price	$0.25
Expected dividend yield	Nil
Exercise price	$0.25
Risk-free interest rate	1.05%
Expected volatility	100%
Expected expiration (years)	5.00

Warrants

A summary of warrant activity during the year ended October 31, 2022 is as follows:

	Number of warrants	Weighted average exercise price	Weighted average remaining life
Outstanding, October 31, 2021	-	-	-
Issued on June 20, 2022	20,188	$ 0.25	1.64
Outstanding, October 31, 2022	20,188	$0.25	1.64

In connection with the financing, the Company issued 20,188 in finder's warrants. These warrants are subject to a four month and one day statutory hold period running from the date of issue of the Subscription Receipts.

The fair value of warrants was estimated to be $ 2,352 at the grant date, and recorded as share issuance costs, based on the Black Scholes pricing model, using the following assumptions:

Number issued	20,188
Share price	$0.25
Expected dividend yield	Nil
Exercise price	$0.25
Risk-free interest rate	1.05%
Expected volatility	100%
Expected expiration (years)	2.00

3. SHARE CAPITAL, CONTINUED

Contributed surplus

Contributed surplus records items recognized as share-based payments and allocation of the value of warrants and agent's options until such time that the options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

4. EXPLORATION AND EVALUATION EXPENSES

On October 21, 2021, the Company entered an option agreement to acquire an undivided 100% interest in the "Noseno Project" located approximately two-hundred kilometers west of Georgetown, Guyana. The Noseno Project comprises 37 licenses covering 37,623 acres, together with 100% of the mineral and mining rights attached thereto or derived therefrom. In order to maintain in force the rights granted and to maintain in force the option and earn the interest in the Property, the Company must:

- make the following cash payments – a total of $2,500,000 USD will be paid in accordance with the following schedule:
  1. Pay $300,000 USD on or before the date that is two years from the date that is the later of (the "Trigger Date") (a) one year from the Effective Date and (b) the day after the date on which (i) conditional acceptance by the Exchange of the Qualifying Transaction is received by the Optionee and (ii) not less than $1,000,000 of Subscription Proceeds is unconditionally released to the Optionee.
  2. Pay $600,000 USD by the third anniversary of the Trigger Date, and
  3. Pay $1,600,000 USD by the fourth anniversary of the Trigger Date.

- maintain work expenditures levels in respect of exploration work on the Property in each of the four years for a cumulative total of $5,000,000 USD. The Company must incur these work expenditures for the exploration work on the Property in accordance with the following schedule (collectively, the "**Work Expenditures**"):
  1. $500,000 USD on or before the date that is one year from the Trigger Date;
  2. a further $1,000,000 USD on or before the date that is two years from the Trigger Date;
  3. a further $1,500,000 USD on or before the date that is three years from the Trigger Date; and
  4. a further $2,000,000 USD on or before the date that is two years from the Trigger Date;

The following is a description of the Company's exploration and evaluation expenditures for the years ended October 31, 2022 and 2021:

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENSES, CONTINUED

		Noseno Project	
		October 31, 2022	**October 31, 2021**
Mineral permits - rental	$	46,809	-
Consulting fee		39,862	-
Camp and operations		178,618	-
Total exploration expenses	**$**	**265,289**	-

5. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of risks related to financial instruments. The Board approves and monitors the risk management processes. The principal types of risk exposure and the way in which they are managed are as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with a Schedule 1 Canadian bank from which management believes the risk of loss is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

As at October 31, 2022, a 10% change in exchange rate would have resulted in a loss of $850 as a result of foreign exchange losses on translation of USD denominated payables.

Fair Value

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

(Expressed in Canadian Dollars)

5. FINANCIAL RISK MANAGEMENT, CONTINUED

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

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

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

The fair value of the Company's receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.

6. DEFERRED TAXES

Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in these financial statements:

	2022	2021
Loss before income taxes	$ (609,040)	$ (192,881)
Statutory rate	26.5%	26.5%
Expected income tax recovery	$ (161,396)	$ (51,113)
Share issuance costs	(16,234)	(20,200)
Non-deductible expenses	19,698	
Change in deferred tax assets not recognized	157,932	71,313
Income tax expense	$ -	$ -

Deferred Income Taxes

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

	2022	2021
Deferred tax assets		
Non-capital loss carry forwards	$ 271,277	$ 120,979
Share issuance costs	17,883	10,249
	289,160	131,228
Less: Deferred tax asset not recognized	(289,160)	(131,228)
Deferred income tax assets	$-	$ -

(Expressed in Canadian Dollars)

6. DEFERRED TAXES, CONTINUED

Non-Capital Losses

The Company has non-capital losses of approximately $1,023,700 to apply against future taxable income. If not utilized, the non-capital losses will expire as follows:

2038	$ 31,100
2039	132,000
2040	80,300
2041	213,100
2042	567,200
	$ 1,023,700

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to consist of components of shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.