SABRE GOLD

SABRE GOLD MINES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

KRESTON GTA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sabre Gold Mines Corp.

Opinion

We have audited the accompanying consolidated statements of Sabre Gold Mines Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity, consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describe the events and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Key Audit Matter

The key audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the key audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the key audit matter below providing a separate opinion on the key audit matter or on the accounts or disclosures to which it relates.

Key Audit Matter (continued)

Assessment of Impairment of Mineral Properties

Key Audit Matter Description

We identified the impairment assessment of mineral properties as a key audit matter. As disclosed in Note 6 to the consolidated financial statements, the carrying value of the Company's mineral properties was approximately $28.8 million as at December 31, 2023 (December 31, 2022: $42.8 million), which is material to the consolidated financial statements. In addition, the management's impairment assessment process is highly judgmental and is based on assumptions, which are affected by expected future market or economic conditions.

As discussed in Note 3 to the consolidated financial statements, the carrying value of mineral properties is reviewed at each reporting period to determine whether there is any indication of impairment or reversal of impairment.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures included, amongst others, the following:

- Performing a walkthrough to understand the Company's process related to assessment of impairment and evaluating the design of related controls.
- Testing of assumptions and facts in management's impairment indicators assessment for reasonableness.
- Assessing the appropriateness of valuation methodology used by management to calculate the recoverable amount.
- With assistance of valuation specialists, assessing the reasonableness of assumptions used in management's forecast, including the discount rate.
- Evaluating the competence and objectivity of management's experts who assisted in the valuation, including those who prepared the resource and reserve estimates.

The accounting and measurement methods applied are in accordance with IFRS. We consider the underlying assumptions and measurement to be reasonable.

Other Information

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

Our opinion on the consolidated 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 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 auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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.

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

Kreston GTA LLP

Chartered Professional Accountants
Markham, Canada
March 22, 2024

Sabre Gold Mines Corp.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash	**$ 2,700,394**	$ 348,374
Accounts receivable and prepaid expenses (note 5)	**3,074,380**	67,260
Marketable securities (note 6)	**156,591**	135,022
Total current assets	**5,931,365**	550,656
Non-current assets		
Restricted investments (note 4)	**830,904**	1,479,250
Investments	**-**	144,093
Long term receivable (note 5)	**1,713,131**	-
Property, plant and equipment (note 7)	**8,219,937**	8,560,244
Right-of-use assets	**62,233**	172,382
Mineral properties (note 8)	**29,114,854**	42,750,362
Total assets	**$ 45,872,424**	$ 53,656,987
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 699,059**	$ 2,294,278
Other liabilities (note 11)	**958,080**	-
Promissory notes payable (note 12)	**597,590**	5,763,911
Convertible promissory notes payable (note 13)	**529,325**	9,689,575
Derivative financial liabilities (note 14)	-	55,554
Lease liability	**50,347**	103,440
Total current liabilities	**2,834,401**	17,906,758
Non-current liabilities		
Deferred revenue (note 10)	**6,572,216**	14,327,514
Other liabilities (note 11)	**701,287**	-
Promissory note payable (note 12)	**2,019,936**	-
Convertible promissory notes payable (note 13)	**2,731,974**	-
Derivative financial liabilities (note 14)	**49,867**	-
Lease liability	**5,429**	56,054
Deferred tax liabilities	**30,264**	30,264
Decommissioning liabilities (note 15)	**2,416,137**	2,447,224
Total liabilities	**17,361,511**	34,767,814
Equity		
Share capital (note 16)	**178,962,530**	176,664,166
Contributed surplus and other reserves	**19,461,808**	18,460,124
Share-based payments reserve (note 17)	**2,194,867**	2,673,584
Warrant reserve (note 18)	**167,896**	267,595
Accumulated other comprehensive income	**714,726**	1,336,052
Deficit	**(172,990,914)**	(180,512,348)
Total equity	**28,510,913**	18,889,173
Total liabilities and equity	**$ 45,872,424**	$ 53,656,987

The accompanying notes to the consolidated financial statements are an integral part of these statements.
Nature of operations and going concern (note 1)
Commitments and contingencies (note 21)

Approved on behalf of the Board:

(Signed) " Claudio Ciavarella" Director

(Signed) "Stefan Spears" Director

Sabre Gold Mines Corp.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating expenses		
General and administrative	**150,396**	87,835
Depreciation (notes 7)	**96,809**	56,471
Consulting fees and salaries (note 20(d))	**220,046**	330,368
Professional fees	**328,714**	385,412
Business development	**140,527**	229,420
Share based payments	**167,900**	-
	(1,104,392)	(1,089,506)
Sale of royalty (note 22)	**8,665,772**	-
Sale of option agreements (notes 8(b) and 8(c))	**515,000**	-
Gain on modification of debt (note 10,12,13)	**4,307,299**	2,186,235
Interest accrued	**(1,041,582)**	(1,435,690)
Interest forgiven	**3,000,000**	-
Accretion expense	**(323,695)**	(188,685)
Fair value adjustment of derivative financial liabilities	**129,252**	(6,291)
Loss on disposal of Golden Predator (note 9)	**(6,661,149)**	-
Change in fair value of marketable securities (note 6)	**(125,874)**	-
Impairment of long term investment	**(144,093)**	-
Gain on settlement of debt	**514,325**	-
Gain/(loss) on foreign exchange	**133,733**	(1,916,279)
Income (loss) before income taxes	**7,864,596**	(2,450,216)
Income tax recovery (expense)	-	-
Net income (loss) from continuing operations	**7,864,596**	(2,450,216)
Discontinued operations		
Loss from discontinued operations, net of tax (note 9)	**(343,162)**	(4,429,850)
Net income (loss) for the year	**7,521,434**	(6,880,066)
Other comprehensive income		
Foreign currency translation loss (gain)	**(621,328)**	1,992,702
Total comprehensive income (loss) for the year	**6,900,106**	(4,887,364)
Fully diluted net income (loss) per share (note 19)	**$0.09**	($0.11)
Basic net income (loss) per share	**$0.10**	($0.11)
Weighted average number of common shares outstanding:		
Fully diluted	**79,074,327**	63,291,235
Basic	**71,938,008**	63,291,235

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

Sabre Gold Mines Corp.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year Ended December 31, 2023		Year Ended December 31, 2022
Operating activities				
Net income (loss) for the period	**$**	**7,521,434**	$	(6,880,066)
Adjustments for:				
Gain on modification of debt		**(4,307,299)**		(2,185,557)
Interest accrued		**1,204,639**		1,451,466
Interest forgiven		**(3,000,000)**		-
Accretion expense		**323,695**		188,685
Depreciation		**239,479**		380,276
Loss on disposal of Golden Predator		**6,661,149**		-
Gain on disposal of other assets		**-**		(20,250)
Sale of royalty		**(8,665,772)**		-
Sale of option agreements		**(515,000)**		-
Fair value adjustment on derivative liability		**(129,252)**		4,855
Share based payments		**167,900**		-
Realised loss on sale of marketable securities		**-**		2,696,003
Bad debt expense		**-**		479,018
Gain on settlement of debt		**(514,325)**		-
Impairment of long term investment		**144,093**		-
Change in fair value of marketable securities		**125,874**		163,332
Unrealised foreign exchange (gain)/loss		**(111,357)**		1,539,753
Changes in non-cash working capital items:				
Accounts receivables		**(15,792)**		65,629
Prepaid expenses and other receivables		**(6,408)**		163,661
Accounts payable and accrued liabilities		**(1,324,933)**		(2,583,712)
Net cash provided by (used in) operating activities	**$**	**(2,201,875)**		(4,536,907)
Investing activities				
Addition to mineral properties		**(5,802,447)**		(3,026,546)
Payment of surety bond		**-**		(327,765)
Proceeds from the sale of Golden Predator		**8,500,000**		-
Proceeds from sale of royalty		**8,665,772**		-
Proceeds from sale of option agreement		**150,000**		-
Proceeds from sale of marketable securities		**-**		5,132,312
Net cash provided by investing activities	**$**	**11,513,325**	**$**	**1,778,001**
Financing activities				
Shares issued, net of costs		**663,196**		-
Repayment of principle – Other liabilities		**(1,550,000)**		-
Repayment of principle - Promissory notes		**(822,394)**		-
Repayment of principle - Convertible promissory notes		**(2,360,092)**		-
Repayment of interest		**(2,767,514)**		-
Lease liability payments		**(116,234)**		(73,533)
Net cash used in financing activities	**$**	**(6,953,038)**	**$**	**(73,533)**
Effect of exchange rate changes on cash		**(6,392)**		69,338
Net increase/(decrease) in cash		**2,352,020**		(2,763,101)
Cash, beginning of period		**348,374**		3,111,475
Cash, end of period	**$**	**2,700,394**	$	348,374

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

Sabre Gold Mines Corp.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Common Shares		Share Capital	Reserves: Contributed surplus and other reserves		Reserves: Shared based payments reserve		Reserves: Warrant reserves		Accumulated other comprehensive income (loss)		Deficit		Total
Balance, December 31, 2021	**63,291,235**	**$**	**176,664,166**	**$**	**15,835,794**	**$**	**3,447,557**	**$**	**2,060,152**	**$**	**(656,650)**	**$**	**(173,632,282)**	**$**
Expiration of warrants	-		-	1,792,557		-		(1,792,557)		-		-		-
Expiration of stock options	-		-	831,773		(831,773)		-		-		-		-
Share based payments	-		-	-		57,800		-		-		-		57,800
Net loss and comprehensive loss for the period	-		-	-		-		-		1,992,702		(6,880,066)		(4,887,364)
Balance, December 31, 2022	**63,291,235**	**$**	**176,664,166**	**$ 18,460,124**	**$**	**2,673,584**	**$**	**267,595**	**$**	**1,336,052**	**$**	**(180,512,348)**	**$**	**18,889,173**
Shares issued for interest	4,068,626		854,412	-		-		-		-		-		854,412
Shares issued in private placement	4,166,238		538,120	-		-		-		-		-		538,120
Shares issued to Star Royalties (note 11)	7,407,407		851,852	-		-		-		-		-		851,852
Shares issued to settle debt	717,037		96,800	-		-		-		-		-		96,800
Share issue costs	-		(42,820)	-		-		-		-		-		(42,820)
Warrants issued with shares	-		-	-		-		167,896		-		-		167,896
Share based payments	-		-	-		255,372		-		-		-		255,372
Expiration of stock options	-		-	734,089		(734,089)		-		-		-		-
Expiration of warrants	-		-	267,595		-		(267,595)		-		-		-
Net income and comprehensive loss for the period	-		-	-		-		-		(621,326)		7,521,434		6,900,108
Balance, December 31, 2023	**79,650,543**	**$**	**178,962,530**	**$ 19,461,808**	**$**	**2,194,867**	**$**	**167,896**	**$**	**714,726**	**$**	**(172,990,914)**	**$**	**28,510,913**

The accompanying notes to the condensed interim consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

Sabre Gold Mines Corp. ("Sabre Gold" or the "Company") is incorporated under the laws of Canada. The principal business activities are directed towards exploring and developing the Copperstone Mine ("Copperstone") in La Paz County, Arizona, United States. To date, the Company has not earned any actual revenue as all properties are pre-production.

The Company is listed on the Toronto Stock Exchange, trading under the symbol SGLD. The Company's corporate office and principal place of business is located at 200 Burrard Street, Suite 250, Vancouver, British Columbia, V6C 3L6, Canada.

As at December 31, 2023, the Company had working capital of $3,096,964 (December 31, 2022 - excess of current liabilities over current assets of $17,356,102). The Company has incurred losses in previous periods and has not yet achieved profitable operations, with net profit of $7,521,434 for the year ended December 31, 2023 (December 31, 2022 - loss of $6,880,066) and expects to incur future losses in the development of its business and requires additional financing to continue to be able to operate, retain rights to its properties and carry out exploration and development of its properties, all of which casts significant doubt about the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared on a going-concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. While the Company expects to be able to obtain sufficient financing to continue as a going concern, it is not possible to predict whether financing efforts will be successful.

As at December 31, 2023, the Company is an emerging North American gold producer advancing the restart of production at its 100-per-cent owned, fully permitted past-producing Copperstone Mine, located in mining-friendly Arizona. The Company's current focus is on maximizing the Copperstone Mine's potential by defining and expanding current resources and further optimizing the mine's economics for the purpose of the restart of production.

2. Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and are presented in Canadian dollars.

These consolidated financial statements were approved and authorised for issue by the Board of Directors of the Company on March 19, 2024.

New and revised standards and interpretations

The following accounting standards and implementations are effective for future periods.

Changes in accounting policies – new accounting standards

The Company has applied for the first time the following amendments:

<u>Amendments to IAS 12 deferred tax related to assets and liabilities arising from a single transaction</u>

This amendment requires the Group to recognise deferred tax assets and liabilities gross in relation to their leases which were previously these were recognised net. There is no impact on the amounts disclosed on the balance sheet as the amounts continue to be offset in accordance with the requirements of IAS 12, however in note 25 the amounts have been presented gross. The prior period disclosures have also been amended consistent with the transitional provisions in the amendment.

Amendments to IAS 12 international tax reform – Pillar two model rules

This amendment permits the Group to not recognise deferred tax assets and liabilities related to the Pillar Two tax reforms. Due to the uncertain nature of the tax reforms, the Group cannot quantify the impact that this has had on the amount of deferred tax assets and liabilities not recognised on the balance sheet in the current period. No amounts were recognised in the prior period in relation to the Pillar Two Model Rules, to which this amendment would apply.

New and revised standards and interpretations

The following accounting standards and amendments are effective for future periods.

Amendments to IAS 1 – Classification of liabilities as current or non-current and amendments to IAS 1 – non-current liabilities with covenants

These amendments together impact the classification of liabilities with covenants and any convertible notes that the Company issues with liability classified conversion features. It may impact the classification of some of the Company's debts and will require additional disclosure about the effect of the covenants on the Company. The Company is still currently assessing the impact of these amendments. They are effective for the 2024 Financial Statements.

Amendments to IAS 7 and IFRS 7 supplier financing arrangements

This amendment will have no impact on the amounts recognised in the financial statements but will require additional disclosures to be provided around the Company's use of supplier financing arrangements. These amendments are effective for reporting periods beginning on or after January 1, 2024

3. Material accounting policies

Basis of consolidation

The consolidated financial statements are prepared by consolidating the financial statements of the Company and its wholly-owned subsidiaries. This includes American Bonanza Gold Corp. and its subsidiary, Bonanza Explorations Inc. and Bear Lake Gold Ltd. Bear Lake Gold Ltd. is a dormant company.

The acquisition of a business is accounted for using the acquisition method. The cost of the acquisition is measured based on the fair value of the consideration provided and allocated to the identified assets and liabilities of the acquiree. The goodwill arising, if any, is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the fair value of net identifiable assets acquired and the liabilities assumed.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all inter-company balances and transactions between entities in the Company, including any unrealized profits or losses, have been eliminated.

Exploration, evaluation and care and maintenance expenditures

All exploration and evaluation costs (including the cost of acquiring exploration rights), net of incidental revenue, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, reserves and the necessary licenses and permits in hand, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized to mineral property.

Mineral properties

Mine development costs, including acquisition costs and reclassified exploration and evaluation assets are recorded at cost less accumulated amortization and accumulated impairment losses. Costs associated with commissioning new assets, net of incidental revenue, are capitalized as mineral property costs until commercial production has commenced. The Copperstone project had not reached commercial production as at December 31, 2023.

Mine development and stope access incurred during the development of a mine are capitalized into mineral property. Mine development and stope access incurred during the commercial production phase are production costs that are included in the costs of inventories produced during the period that these costs are incurred, unless the mine development and stope access activity can be shown to give rise to future benefits from the mineral property such as increased reserves, in which case the costs would be capitalized to mineral property.

Interest and financing costs on debt or other liabilities that are directly attributed to the acquisition, construction and development of a qualifying asset are capitalized to the asset. All other borrowing costs are expensed as incurred.

The carrying values of mineral properties, plant and equipment are depreciated to their estimated residual values over their estimated useful lives or the estimated useful life of the associated mine, if shorter. Mineral property acquisition and development costs and certain plant and equipment are depreciated on a unit of production basis based upon proven and probable reserves. Depreciation related to production activities is initially recorded in inventories when ore is extracted from the mine. As the Company is in the commissioning stage, the depreciation is recorded in mineral property in the same period as the capitalized revenue from the sale of the inventories.

Deferred revenue

Deferred revenue arises from up-front payments received by the Company or obligations acquired in consideration for future commitments as specified in its various streaming arrangements. The accounting for streaming arrangements is dependent on the facts and terms of each of the arrangements. Revenue from streaming arrangements are recognized when the customer obtains control of the gold metal and the Company has satisfied its performance obligations.

The Company identified significant financing components related to its streaming arrangements resulting from a difference in the timing of the up-front consideration received and delivery of the promised goods.

Foreign currencies

Foreign currency translations
IAS 21, the effects of changes in foreign exchange rates, takes a functional currency approach, looking at each entity separately. The parent and each subsidiary determine their functional currency, which is the currency of the primary economic environment in which the entity operates. Management reviewed the primary and secondary indicators in IAS 21 and determined the functional currency of each entity is Canadian dollar except for its United States subsidiaries which are in the United States dollar ("US$").

When the Company translates the financial statements of subsidiaries from their functional currency to presentation currency, assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Share capital, equity reserves, shares to be (cancelled) issued, accumulated other comprehensive income, and accumulated deficit are translated into Canadian dollars at historical exchange rates. Revenues and expenses are translated into Canadian dollars at the average exchange rate for the year. Foreign currency translation adjustment is included in accumulated other comprehensive income.

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of each subsidiary at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Cash

Cash is comprised of cash and highly liquid investments that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

Restricted investments are excluded from cash.

Taxation

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statements of income and comprehensive income. 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 regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off 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.

Earnings (loss) per share

The basic earnings or loss per share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during the period. The diluted earnings or loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Property, plant and equipment

Property, plant and equipment other than land are carried at cost less accumulated depreciation and accumulated impairment losses. Land is carried at cost less accumulated impairment losses. The cost of property, plant and equipment comprises their purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with the asset.

Depreciation is recorded over the shorter of the useful life of the asset or the remaining life of the mine. Depreciation for the major categories of property, plant and equipment is as follows;

Assets within operations for which usage is not expected to fluctuate significantly from one year to another are depreciated on a straight-line basis as follows:

Buildings	15 years
Computer equipment	1 - 5 years
Motor vehicles	10 years
Mine and mill equipment	3 - 15 years
Right of use asset (leases)	Term of lease

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount.

Financial instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Under IFRS 9, such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial assets
The Company classifies its financial assets into three categories, depending on the cash flow characteristics of the assets and the business objective for managing the assets. Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. The Company's accounting policy for each category is as follows:

Amortized cost - Assets are held within a business model with the objective of collecting their contractual cash flow; and the contractual cash flows consist solely of payments of principal and interest. They are recognized initially at fair value plus directly attributable transaction costs, and subsequently measured at amortized cost less cumulative impairment losses. A gain or loss on a debt investment is recognized in profit and loss when the asset is derecognized or impaired.

Fair value through other comprehensive income ("FVTOCI") – Assets are held within a business model that includes both hold to collect their contractual cash flow and sell the assets; and the contractual cash flows consist solely of payments of principal and interest. For debt instruments measured at FVTOCI, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses are recognized directly in profit or loss. The cumulative fair value gains or losses recognized in OCI are reclassified to profit or loss when the asset is derecognized. An election may be made to classify an equity investment, that is neither held for trading nor represents contingent consideration recognized by an acquirer in a business combination, as held at FVTOCI. The option to designate an equity instrument at FVTOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in OCI except dividend income which is recognized in profit or loss.

Fair value through profit and loss ("FVTPL") - Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a financial asset measured at FVTPL that is not part of a hedging relationship is recognized in profit and loss and presented on a net basis in the period in which it arises. IFRS 9 contains an option to designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial asset at FVTPL is available at initial recognition and is irrevocable. Financial assets should be reclassified when and only when an entity changes its business model for managing financial assets. Any such reclassifications are applied prospectively from the date of the reclassification.

Financial liabilities
Under IFRS 9, financial liabilities are primarily classified at amortized cost with limited exceptions. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. The Company's accounting policy for each category is as follows:

FVTPL - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term, and certain financial liabilities that were designated at FVTPL from inception. IFRS 9 contains an option to designate a financial liability as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial liability at FVTPL is available at initial recognition and is irrevocable.

Amortized cost - Financial liabilities are recognized initially at fair value net of directly attributable transaction costs. They are subsequently recognized at amortized cost using effective interest method with interest expense recognized on an effective yield basis.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	**IFRS 9**
Cash	Amortized cost
Accounts receivable	Amortized cost
Marketable securities	FVTPL
Restricted investments	Amortized cost
Long term receivable	Amortized cost
Investments	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory notes payable	Amortized cost
Convertible promissory notes payable	Amortized cost
Other loans payable	Amortized cost
Decommissioning liabilities	Amortized cost
Lease liability	Amortized cost
Deferred revenue	Amortized cost
Derivative financial liabilities	FVTPL

Allowance for expected credit losses
IFRS 9 provides a simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets. The credit loss model groups receivables based on similar credit risk characteristics and the number of days past due, in order to estimate bad debt expenses. The Company assesses the lifetime expected credit loss related to its receivables and reassesses the provision each reporting period. When measuring the expected credit loss, the Company considers a variety of factors including: evidence of the debtor's financial condition, the term of the receivable and any changes in economic conditions.

Impairment of long-lived assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there is an indication that those assets have suffered an impairment loss or when annual impairment testing for an asset is required. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statements of loss and comprehensive loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

At the end of each reporting period, the Company assesses whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company will estimate the recoverable amount of the asset and reverse the impairment loss recognized in prior periods. The reversal of an impairment loss will not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Provisions

Decommissioning liabilities
Costs for reclamation and remediation are a normal consequence of mining, and the majority of these costs are incurred at the end of the life of the mine. Decommissioning liabilities are estimated for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of the affected areas) in the financial period when the related environmental obligation occurs, based on the estimated future costs using information available at the statement of financial position date. The costs are estimated on the basis of a closure plan which represents management's best estimate of the costs.

The decommissioning liabilities are discounted using a risk-free rate. At the time of establishing the provision, a corresponding asset is capitalized within mineral property for amounts carried on the consolidated statements of financial position and expensed as the mineral property is analyzed.

The decommissioning liabilities are reviewed on an annual basis to reflect known developments, such as revisions to cost estimates and to the estimated lives of operations, and for changes to legislation or discount rates. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is depreciated prospectively.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed by way of note unless the likelihood of them crystallizing is considered remote. Contingent assets are not recognised in the consolidated financial statements but are disclosed by way of note if they are deemed probable.

Share-based payments

Under the Company’s stock option plan, all stock options granted have graded vesting period and exercisable three to five years from the date of grant. Each tranche of an award with graded vesting period is considered a separate grant at each vest date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk-free rate and estimated forfeitures.

If a grant of share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On vesting date, the Company revises the estimate to equal the number of equity instruments that ultimately vested.

After vesting date, the Company makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited at the end of the share option's life.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's chief operating decision maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Reportable segments whose, results or assets are ten percent or more of all the segments are reported separately.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Convertible promissory notes

The Company's convertible promissory notes are segregated into their debt and equity components or derivative liability components at the date of issue, in accordance with the substance of the contractual agreements.

The conversion feature of the convertible promissory notes is presumed to be classified as a derivative financial liability unless it meets all the criteria to recognize as equity instrument. One of criteria is that the conversion option exchanges a fixed amount of shares for a fixed amount of cash ("fixed for fixed").

If the conversion feature meets the fixed for fixed criteria, the conversion option will be classified as equity components.

Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of the convertible promissory notes is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognizing the components of the instrument separately.

If the conversion feature does not meet the fixed for fixed criteria, the conversion option will be recorded as derivative financial liability, which must be separately accounted for at fair value on initial recognition. The carrying amount of the debt component, on initial recognition, is recalculated as the difference between the proceeds of the convertible promissory notes as a whole and the fair value of the derivative financial liabilities. Subsequent to initial recognition, the derivative financial liability is re-measured at fair value at the end of each reporting period with changes in fair value recognized in the statement of operation for each reporting period, while the debt component is accreted to the face value of the debt using the effective interest method.

Transaction costs are allocated to the debt and equity components or derivative liability components in proportion to the allocation of the proceeds on initial recognition. Transaction costs allocated to equity components will be accounted for as a deduction from equity, net of any related income tax benefit; cost allocated to the derivative financial liability component are expensed; and cost allocated to the debt component are offset against the carrying amount of the liability and included in the determination of the effective interest rate.

Other comprehensive income

Other comprehensive income (loss) is the change in shareholders' equity, which results from transactions and other events and circumstances from non-shareholder sources. These transactions and events include unrealized gains and losses resulting from foreign currency translation of foreign subsidiaries.

Significant accounting judgments and estimates

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates.

Judgments:
Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next year are discussed below:

Development stage
In management's judgment the Copperstone project moved from exploration and evaluation stage to the development stage during the year ended June 30, 2021 and started to capitalize the related expenditures.

Valuation of Mineral properties
Operating levels intended by management for the Mineral properties:
Prior to a mine being capable of operating at levels intended by management, costs incurred are either expensed or capitalized based on the type of costs incurred. Costs related to developing the property are generally capitalized, while care and maintenance costs and costs related to exploration and evaluating new ore bodies are expensed. The Company undertakes a review of the carrying values of mineral properties and related expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. Management concluded that there is no indication for the impairment of mineral properties as of December 31, 2022.

Functional currency
The functional currency for the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Impairment of property, plant and equipment
Assets or cash generating units are evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash-generating group of assets is measured at 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 and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal.

Present values are determined using a risk-adjusted pre-tax discount rate appropriate for the risks inherent to the asset. Future cash flow estimates are based on expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves, operating costs, restoration and rehabilitation costs and future capital expenditure. The Company's management is required to make these estimates and assumptions which are subject to risk and uncertainty; hence, there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the asset may be impaired and the impairment would be charged against profit or loss.

Estimates:
The following are some of the more significant estimates made in the preparation of these consolidated financial statements:

Provisions
Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

The Company's mining activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes management's best estimate for asset retirement obligations in the period in which they occur. Actual costs incurred in future periods could differ materially from the estimates. The ultimate cost of environmental remediation can vary in response to many factors including future changes to environmental laws and regulations, the emergence of new restoration techniques, changes in the life of mine estimates and in discount rates, which could affect the carrying amount of this provision. Refer to note 17 for more details.

Derivatives and debt valuation
The valuation of debt and embedded derivatives for convertible instruments is based on the application of a recognized option valuation formula, which is highly dependent on, amongst other things, the expected volatility of the Company's registered shares and the expected life of the options. The Company uses an expected volatility rate for its shares based on past stock trading data, adjusted for future expectations, and actual volatility may be significantly different.

The resulting value calculated is not necessarily the value that the holder of the instrument could receive in an arm's length transaction. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

Share-based payments
The fair value of share-based payments is estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture of options granted.

Allowance for expected credit losses
The assessment of expected credit losses on receivables, which includes deferred consideration for the disposal of subsidiaries, represents a significant estimate in the financial statements under IFRS 9. For companies operating in industries with limited sales activities, such as junior mining entities, this estimation requires careful consideration of historical payment patterns, economic conditions, debtor financial condition and other relevant factors. Management exercises judgment in determining the provision for expected credit losses, recognizing the potential impact of any changes in these estimates on the carrying amount of receivables and the overall financial position of the Company.

Capital risk management

The Company manages its capital with the following objectives:

- to safeguard the Company's ability to continue as a going concern,
- to raise sufficient proceeds from share issues to meet general and administrative expenditures and project expenditures,
- to provide an adequate return to shareholders by advancing the Company's projects to production while ensuring it meets the listing requirements of the Toronto Stock Exchange, and
- to maintain the royalty prepayments within the limits allowed by the agreement.

The Company has loans payable, accounts payable and accrued liabilities and equity, and consequently defines capital as all of the components of debt and equity which as at December 31, 2023 amount to $42,362,300 (December 31, 2022 - $54,241,194). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

The directors of the Company review the capital structure from time to time. As part of this review, the directors considered the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through issue of new shares, new debt or the redemption or extension of existing debt.

Financial instruments

Fair value hierarchy

Fair value hierarchy - IFRS 7, Financial instruments: Disclosures, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 - valuation techniques using the inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. There was no movement between different levels for the years ended December 31, 2023 and 2022.

Marketable securities are marked-to-market at each period end and so the carrying amount also represents the fair value and were classified as level 1 financial instruments.

The fair value of the derivative financial liability (conversion feature) was estimated by using Black-Scholes pricing model with the assumptions and was classified as level 2 financial instruments.

The fair value of accounts receivable, restricted investments, accounts payable and accrued liabilities, promissory notes payable, convertible promissory notes payable, other loan, lease liability and decommissioning liabilities approximates their carrying values due to their short-term nature.

Credit risk

The Company's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, totals the carrying amount of these assets as stated in the consolidated statements of financial position.

The Company's principal financial assets are cash, restricted investments and accounts receivable, which represent the Company's exposure to credit risk in relation to financial assets.

The credit risk on cash and restricted investments is mitigated by transacting with banks and other financial institutions with high credit ratings assigned by international credit-rating agencies.

An allowance for expected credit losses is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information when necessary.

Interest rate risk

The interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates on its promissory notes payable and convertible promissory notes payables.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had cash of $2,700,394 (December 31, 2022 - $348,374) to settle current financial liabilities of $2,834,401 (December 31, 2022 - $17,906,758). There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution.

The following table details the Company's contractual maturities for its financial liabilities as at December 31, 2023 and 2022, due by year:

As at December 31, 2023	**Carrying amount**	**Contractual cash flow**	**0 to 12 months**	**12 to 24 months**	**After 24 months**
Accounts payable and accrued liabilities	$ 699,059	$ 699,059	$ 699,059	$ -	$ -
Other liabilities	1,659,367	2,000,000	1,200,000	800,000	-
Promissory notes payable	2,617,526	3,228,883	900,000	2,328,883	-
Convertible promissory notes	3,261,299	4,305,061	900,000	3,405,061	-
Lease liability	55,776	57,902	52,297	5,605	-
	$ 8,293,027	**$ 10,290,905**	**$ 3,751,356**	**$ 6,539,549**	**$ -**

As at December 31, 2022	**Carrying amount**	**Contractual cash flow**	**0 to 12 months**	**12 to 24 Months**	**After 24 months**
Accounts payable and accrued liabilities	$ 2,294,278	$ 2,294,278	$ 2,294,278	$ -	$ -
Promissory notes payable	5,763,911	5,763,911	5,763,911	-	-
Convertible promissory notes	9,689,575	12,706,370	12,706,370	-	-
Lease liability	159,494	174,456	116,258	52,458	5,740
	$ 17,907,258	**$ 20,939,015**	**$ 20,880,817**	**$ 52,458**	**$ 5,740**

Currency risk

The Company conducts a portion of its business activities in Arizona, United States. Major purchases and exploration expenditures are transacted in US dollars. Administrative expenditures and cash and cash equivalents balances are primarily transacted in Canadian dollars. The Company has exposure to foreign currency risk on its cash held in US dollars and convertible promissory notes payable. As at December 31, 2023, the Company held US$750,615 of monetary assets and held US$8,741,182 in monetary liabilities. A $0.05 fluctuation in the value of the Canadian dollar would result in an increase or decrease to profit or loss of approximately $261,037. The Company mitigates the risk of foreign currency fluctuations by converting Canadian dollars to US currency when required to fund expenditures. The Company does not currently hedge its foreign exchange risk.

Sensitivity analysis

The carrying amount of financial instruments approximates their fair market value. The movement on cash and cash equivalents interest rates by a plus or minus 1% change would have no material impact on the value of those items. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

- The Company has restricted cash as at December 31, 2023 at a fixed interest rate of between 0.75% and 1.00% per annum. An increase in the interest rate of 1% would result in a $14,333 (December 31, 2022 - $14,678) increase in the interest earned on the investment.

(Expressed in Canadian Dollars)

- The Company has loans and borrowings as at December 31, 2023 with various fixed interest rates. Therefore, a percentage change in interest rates will not have a significant impact on the Company.

4. Restricted investments

		As at December 31, 2023		As at December 31, 2022
Short-term cashable account (1)	**$**	**819,404**	$	1,467,750
Restricted cash (2)		**11,500**		11,500
	$	**830,904**	$	1,479,250

(1) Pursuant to the term of the surety bond disclosed in (note 21) the Company provided cash collateral of US$619,540 (December 31, 2022 - US$1,083,729) which is held with Intact Insurance in the name of the Company to cover a portion of the decommissioning liabilities (note 15).
(2) This is a GIC held on deposit with a major Canadian financial institution as security for the corporate credit card.

5. Accounts receivable and prepaid expenses

		As at December 31, 2023		As at December 31, 2022
Prepaid expenses	**$**	**42,532**	$	42,696
Accounts receivable		**2,776,492**		-
Other receivable		**215,000**		-
GST receivable		**40,356**		24,564
	$	**3,074,380**	**$**	**67,260**
Long term receivable		**1,713,131**		-
Total	**$**	**4,787,511**	**$**	**67,260**

Accounts receivable and the long term receivable represent the deferred consideration due from Victoria Gold Corp in relation to the sale of Golden Predator Mining Ltd (note 9).

Other receivable represents the option payment for the Marg property due from Azarga Metals Inc (note 8(b)).

As of December 31, 2023, the Company's accounts receivable reflect expected credit losses of nil (December 31, 2022: nil).

6. Marketable securities

Marketable securities consist of common shares of publicly traded companies.

Balance, December 31, 2021	**$**	**8,126,670**
Disposals		(5,295,645)
Change in fair value of marketable securities		(2,696,003)
Balance, December 31, 2022	**$**	**135,022**
Additions		150,000
Change in fair value of marketable securities		(125,874)
Other		(2,557)
Balance, December 31, 2023	**$**	**156,591**

During the year ended December 31, 2023, the Company had a realized gain on sale of marketable securities of $nil (December 31, 2022 – loss $166,293).

(Expressed in Canadian Dollars)

7. Property, plant and equipment

Cost	Buildings	Mine and Mill Equipment	Surface Vehicles	Computer Equipment	Mill	Total
Balance, December 31, 2021	**$2,703,447**	**$ 451,509**	**$ 283,431**	**$ 59,207**	**$5,741,599**	**$ 9,239,193**
Foreign exchange differences	174,210	30,841	19,360	4,044	364,008	592,463
Balance, December 31, 2022	**$2,877,657**	**$ 482,350**	**$ 302,791**	**$ 63,251**	**$6,105,607**	**$ 9,831,656**
Disposals	(153,067)	-	-	-	(412,623)	(565,690)
Foreign exchange differences	(63,971)	(11,325)	(7,109)	(1,485)	(133,666)	(217,556)
Balance, December 31, 2023	**$2,660,619**	**$ 471,025**	**$ 295,682**	**$ 61,766**	**$5,559,318**	**$ 9,048,410**

Accumulated Depreciation	Buildings	Mine and Mill Equipment	Surface Vehicles	Computer Equipment	Mill	Total
Balance, December 31, 2021	$ 20,117	**$ 451,509**	**$ 245,646**	**$ 59,207**	$ 79,099	**$ 855,578**
Depreciation for the period	84,952	-	40,366	-	238,852	364,170
Foreign exchange differences	-	30,841	16,779	4,044	-	51,664
Balance, December 31, 2022	**$ 105,069**	**$ 482,350**	**$ 302,791**	**$ 63,251**	**$ 317,951**	**$ 1,271,412**
Depreciation for the period	47,998	-	-	-	94,672	142,670
Disposals	(153,067)	-	-	-	(412,623)	(565,690)
Foreign exchange differences	-	(11,325)	(7,109)	(1,485)	-	(19,919)
Balance, December 31, 2023	**$ -**	**$ 471,025**	**$ 295,682**	**$ 61,766**	**$ -**	**$ 828,473**

Carrying value	Buildings	Mine and Mill Equipment	Surface Vehicles	Computer Equipment	Mill	Total
Balance, December 31, 2021	$2,683,330	$ -	$ 37,785	$ -	$5,662,500	$ 8,383,615
Balance, December 31, 2022	$2,772,588	$ -	$ -	$ -	$5,787,656	$ 8,560,244
Balance, December 31, 2023	**$2,660,619**	**$ -**	**$ -**	**$ -**	**$5,559,318**	**$ 8,219,937**

8. Mineral properties

	Copperstone	Brewery Creek	Grew Creek	Gold Dome	Total
Balance, December 31, 2021	**$ 20,600,305**	**$ 18,888,576**	**$ 217,500**	**$ 4,830**	**$ 39,711,211**
Expenditures capitalized	3,014,151	-	25,000	-	3,039,151
Balance, December 31, 2022	**$ 23,614,456**	**$ 18,888,576**	**$ 242,500**	**$ 4,830**	**$ 42,750,362**
Expenditures capitalized	5,500,398	-	-	-	5,500,398
Disposals	-	(18,888,576)	(242,500)	(4,830)	(19,135,906)
Balance, December 31, 2023	**$ 29,114,854**	**$ -**	**$ -**	**$ -**	**$ 29,114,854**

The Company is engaged in exploring and developing the Copperstone Gold Mine in La Paz County, Arizona, United States.

The Brewery Creek, Grew Creek and Gold Dome mineral properties were transferred as part of the sale of Golden Predator to Victoria Gold (note 9).

(a) Copperstone Gold Mine, Arizona

The Company holds a 100% leasehold interest in the Copperstone Project, which is in the development stage. The landlord is The Patch Living Trust. The current lease expires June 12, 2026. The lease is renewable for one or more ten-year terms at the Company's option under the same terms and conditions. The Company is obligated to pay for all permitting and state lease bonding, insurance, taxes, and is also required to pay an annual lease payment of US$40,000 to the Patch Living Trust. In addition, the Company is obligated to pay a quarterly production gross royalty equal to 1.5% of the disposition of Metal Products by the Company. The current total annual production gross royalty obligations for the Copperstone Mine total 3%. Of the annual gross production royalty, 1.5% is payable to Trans Oceanic Mineral Company Ltd. ("TOMCL"), a company controlled by Fahad Al Tamimi, a Director of the Company and 1.5% payable to the Patch Living Trust. During the year ended December 31, 2023, the Company bought back a 3% Royalty held by TOMCL for US$2,500,000 (note 20).

On November 12, 2020, the Company entered into a US$18 million precious metals delivery and purchase agreement (the "Purchase Agreement") with Star Royalties to finance the restart of underground operations and gold production at the Copperstone Mine in Arizona. As at June 30, 2023, the Company had received the first two tranches amounting to $16,239,600 (US$12 million).

On June 26, 2023 both parties agreed to a stream reduction notice, thus, the final tranche of US$6 million will no longer be forthcoming.

On October 31, 2023, the Company further amended the gold streaming agreement to fix the gold entitlement at 4% of the payable gold ounces produced for the life of mine. As consideration for the amendment to the stream, the Company issued 7,407,407 common shares and paid $1.55 million in cash and will make deferred payments of $1.2 million and $0.8 million by November 2024 and November 2025, respectively (notes 12 and 13).

As of December 1, 2020 the Company has commenced capitalizing the related expenditures. Amounts capitalized in the period include drilling services expenses, direct labour costs incurred and other expenses deemed to be recovered in future.

All required property payments were made with respect to the Copperstone Project as of December 31, 2023 and all claims are in good standing. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's ability to retain the rights to certain of its properties is dependent upon the Company continuing to make option payments and meet other commitments.

(b) Marg, Yukon

On November 11, 2021, the Company closed the sale of its 100% interest in the Marg property ("Property Purchase Agreement") with Azarga. The sale consideration included a cash advance of $50,000 as a non-refundable deposit, 5,219,985 common shares of Azarga valued at $208,799 based on the market price of $0.04 per share on the transaction closing date, cash receivable of $200,000 on the one-year anniversary date of closing and cash receivable of $350,000 on the two-year anniversary date of the closing (note 5). Sabre Gold will be entitled to a 1% NSR royalty of all metals extracted from the Marg Project. Azarga will have the option to buy back 100% of the NSR for cash consideration of $1,500,000.

On November 28, 2023, the Company and Azarga agreed to amend the Asset Purchase Agreement to an option to purchase agreement whereby if Azarga does not complete the option maintenance payments and exercise the option to purchase the Marg Project, the option to purchase will expire and the title to the Marg Property will be transferred to the Company by Azarga Metals.

In consideration of Sabre Gold's debt forgiveness, Azarga has agreed to increase the net smelter returns royalty from 1% to 2%, with 1% continuing to be subject to buy back for cash consideration of $1,500,000.

Option maintenance payments:

- Azarga has issued 2,866,666 common shares at a deemed price of $0.075 per share for a total value of $215,000 that will satisfy in full the outstanding amount that was due for payment by Azarga on December 6, 2022. The shares issued will bear a legend restricting trading for a period of eighteen months from the date of issue.
- On December 1, 2024, Azarga will pay the Company $33,500 in cash or shares at the option of Azarga Metals.
- If Azarga has not exercised its option to purchase, on or before December 1, 2024, Azarga will pay the Company $33,500 in cash or shares, at the option of Azarga on December 1, 2025.

To exercise the option to purchase, on or before December 1, 2025, Azarga will pay Sabre Gold a cash payment of $335,000, after which Azarga will own the Marg Project in full, subject to the NSR and the Company will immediately thereafter discharge its security charge registered on the Marg Project.

(c) Three Aces, Yukon

On May 26, 2020 the Company sold a 100% interest in the Three Aces Project to Seabridge Gold, the agreement provided for additional payments to Sabre Gold of $1 million upon confirmation of a Three Aces NI-43-101 compliant mineral resource of 2.5 million ounces of gold and a further $1.25 million upon confirmation of an aggregate mineral resource of 5 million ounces of gold. The agreement also grants Sabre Gold a 0.5% net smelter royalty on the project. As at December 31, 2023 the aforementioned mineral resource has not been confirmed.

(d) Ser Project, Yukon

On October 12, 2022 Sabre Gold entered into an option agreement to sell a 100% interest in the SER project to Rackla Metals Inc, the terms of the deal include an initial payment of $50,000 in cash plus in twelve months' time a further payment of $150,000 in cash and the issuance of $150,000 worth of common shares of Rackla Metals Inc.

On October 17, 2023 Rackla Metals Inc exercised the option by paying the Company $150,000 in cash and by issuing 655,021 shares with a deemed value of $150,000 thus entitling Sabre Gold to a 2.5% NSR royalty on the SER project, the shares have a hold until February 17, 2023.

9. Sale of Golden Predator

On September 14, 2023 Sabre Gold completed a share sale agreement whereby Victoria Gold Corp. ("Victoria") acquired all of the issued and outstanding shares of Golden Predator Mining Corp., a wholly owned subsidiary of Sabre Gold, which indirectly holds a 100% interest in the Brewery Creek property, as well as certain other mineral assets that include the Gold Dome and Grew Creek exploration properties for a total of $13.5 million. Upon the closing of the sale the company received an initial cash payment of $8.5 million in cash. The balance of the consideration is payable as follows: $0.5 million in cash and an additional $2.5 million in cash or Victoria shares at Victoria's election, payable on the 12-month anniversary of the closing date; and $0.5 million in cash and an additional $1.5 million in cash or Victoria shares at Victoria's election, payable on the 24-month anniversary of the closing date.

The fair value of the consideration received totalled $12.3 million which includes the fair value of the cash payment received upon closing and the future amounts receivable of $5.0 million and the surety bond to be transferred.

The Company recognized a loss on sale of $6.7 million for the year ended December 31, 2023 which represents the difference between the fair value of the consideration received and the carrying amounts of the assets and liabilities derecognized.

Golden Predator is reported in the current period as a discontinued operation. The comparative Consolidated Statements of Loss and Comprehensive Loss has been re-presented to show the discontinued operation separately from continuing operations.

(Expressed in Canadian Dollars)

Consideration transferred for the sale of Golden Predator resulting loss on disposal was as follows:

Consideration received or receivable:		
Cash consideration	$	8,500,000
Deferred consideration		4,489,583
Transfer of restricted investments to Victoria (note 4)		(630,376)
Total disposal consideration	$	**12,359,207**
Carrying amount of net assets sold		(19,020,356)
Loss on disposal of Golden Predator	**$**	**(6,661,149)**

The carrying amounts of the assets and liabilities of Golden Predator derecognized as at September 14, 2023 were as follows.

Trade and other receivables	$	6,571
Mineral properties		19,135,906
Total assets	**$**	**19,142,477**
Accounts payable and accrued liabilities		(122,120)
Total liabilities		(122,120)
Net assets	**$**	**19,020,357**

Results of discontinued operations for Golden Predator are as follows:

		Year Ended December 31, 2023		**Year Ended December 31, 2022**
Operating expenses				
Exploration and evaluation expenditures	**$**	**78,765**	$	649,689
General and administrative		**41,170**		35,658
Depreciation		**142,670**		323,804
Professional fees		**3,559**		93,119
Interest (income) / expense		**(1,458)**		678
Fair value adjustment of derivative financial liabilities		**-**		(1,436)
Gain on disposal of subsidiary		**-**		(20,250)
Realized gain/(loss) on sale of marketable securities		**-**		163,332
Change in fair value of marketable securities		**-**		2,696,003
Bad debt expense		**-**		479,018
Loss on foreign exchange		**78,456**		10,235
Net income (loss) from discontinued operations	**$**	**343,162**	$	4,429,850

Cash flows incurred by Golden Predator for the reporting periods until its disposal are as follows:

		Year Ended December 31, 2023		**Year Ended December 31, 2022**
Net cash generated by (used in) operating activities	**$**	**(130,031)**	$	(6,652,151)
Net cash generated by (used in) investing activities		**-**		5,157,312
Change in cash	**$**	**(130,031)**	$	(1,494,839)

(Expressed in Canadian Dollars)

10. Deferred revenue

On November 12, 2020, the Company entered into a US$18 million precious metals delivery and purchase agreement (the "Purchase Agreement") with Star Royalties to finance the restart of underground operations and gold production at the Copperstone Mine in Arizona. The Company has received the first two tranches amounting to $16,239,600 (US$12 million). On June 26, 2023 both parties agreed to a stream reduction notice, thus, the final tranche of US$6 million will no longer be forthcoming.

The Company recorded the advances received on precious metals delivery as deferred revenue and will recognize the amounts in revenue as performance obligations to metals delivery are satisfied over the term of the Purchase Agreement. The advances received on precious metals delivery are expected to reduce to nil through deliveries of the Company's own production to Star Royalties.

On October 31, 2023, the Company restructured the gold streaming agreement to fix the gold entitlement at 4% of the payable gold ounces produced for the life of mine. As consideration for the amendment to the stream, the Company issued 7,407,407 common shares and paid $1.55 million in cash and will make deferred payments of $1.2 million and $0.8 million by November 2024 and November 2025, respectively. Management considered the differences between the terms of the financing component before and after restructuring to be substantial, resulting in the transaction being treated as an extinguishment of liability and recognition of a new liability. A portion of the deferred revenue, to be repaid according to the restructuring agreement, is reclassified to other liabilities (note 11).

The Company identified significant financing components related to its streaming arrangements resulting from a difference in the timing of the up - front consideration received and delivery of the promised goods and recognized the interest expenses at the incremental interest rate of 15.45% (2022 – 10%). During 2023 and 2022 the Company updated the initial estimates related to the precious metal delivery schedule, which was used for the initial recognition of deferred revenue.

The movements in the Company's deferred revenue are presented below:

Balance, December 31, 2021	**$**	**16,778,370**
Change in estimates		(3,791,673)
Accrued interest		335,751
Foreign exchange movements		1,005,066
Balance, December 31, 2022		**14,327,514**
Accrued interest		504,585
Reclassification of principle to be repaid		(4,550,000)
Gain on modification of debt		(3,649,810)
Foreign exchange movements		(60,073)
Balance, December 31, 2023	**$**	**6,572,216**

The Company capitalises incremental interest arising on the financing component of deferred revenue to mineral properties as directly attributable to the Copperstone project.

(Expressed in Canadian Dollars)

11. Other liabilities

As a result of the gold stream restructuring agreement on October 31, 2023 the prepayments and proposed future repayments of cash amounts have been disaggregated from deferred revenue and identified as a separate liability. The effective interest rate method has been used to discount the future cashflows at an incremental interest rate of 15.45%.

The movements in the Company's Other liabilities are presented below:

Balance, December 31, 2022	**$**	**-**
Reclassification of principle		4,550,000
Repayments		(1,550,000)
Settlement through shares issue		(851,852)
Gain on settlement of debt		(148,148)
Recognition of discount		(410,241)
Amortisation of discount		69,608
Balance, December 31, 2023	**$**	**1,659,367**

12. Promissory notes payable

The following table summarizes movements in Promissory notes payable:

Balance, December 31, 2021	**$**	**5,217,565**
Accrued interest		546,346
Balance, December 31, 2022		**5,763,911**
Repayment of principle and interest		(1,975,000)
Interest forgiven		(1,500,000)
Gain on modification of debt		(235,817)
Accretion expense		19,390
Accrued interest		545,042
Balance, December 31, 2023	**$**	**2,617,526**

The promissory notes has principal of $2,787,369 as of December 31, 2023 (December 31, 2022: $3,609,763) is payable to Braydon Capital Corporation ("Braydon"), a company controlled by Claudio Ciavarella, a Director and Shareholder of the Company.

In November 2020, the maturity date was extended to December 31, 2023. The rate of interest payable on the principal of the notes was increased from 8% to 10% as of November 12, 2020, with interest payable quarterly starting upon the commencement of commercial production.

In March 2023, the maturity date was extended to June 30, 2025.

On November 2, 2023 Braydon forgave $1.5 million in accrued interest on their promissory notes in return for an initial cash payment totalling $1.975 million and deferred payments of $0.9 million and $0.6 million by November 2024 and November 2025, respectively.

Management considered the differences between the terms of the financing component before and after restructuring to be substantial, resulting in the transaction being treated as an extinguishment of liability and recognition of a new liability.

The Company identified significant financing components related to the repayments and recognized the interest expense at the incremental interest rate of 15.45% (2022 – 10%). During 2023 the Company updated the initial estimates related to the timing of the repayments.

13. Convertible promissory notes payable

The following table summarizes the debt component:	Kerr debenture I	Kerr debenture II	Promissory Convertible Note	Total
Balance, December 31, 2021	**$ 3,734,716**	**$ 1,752,224**	**$ 2,777,138**	**$ 8,264,078**
Accrued interest	405,121	197,299	302,700	905,120
Accretion expense	17,273	40,667	56,166	114,106
Foreign exchange	273,213	133,058	-	406,271
Balance, December 31, 2022	**$ 4,430,323**	**$ 2,123,248**	**$ 3,136,004**	**$ 9,689,575**
Accrued interest	429,198	203,196	82,676	715,070
Accretion expense	51,158	87,152	1,908	140,218
Repayment of principle	-	(360,092)	(2,000,000)	(2,360,092)
Repayment of interest	(594,182)	(1,020,727)	-	(1,614,909)
Issuance of shares for interest	-	-	(1,220,588)	(1,220,588)
Interest forgiven	(1,500,000)	-	-	(1,500,000)
Gain on modification of debt	(309,970)	(111,703)	-	(421,673)
Fair value adjustment of convertible feature	(47,438)	(131,681)	-	(179,119)
Foreign exchange	(1,628)	14,445	-	12,817
Balance, December 31, 2023	**$ 2,457,461**	**$ 803,838**	**$ -**	**$ 3,261,299**

Kerr Debenture I

The Company has a convertible promissory note in the amount of US$2,054,570 ("Kerr Debenture I") payable to TOMCL. The Kerr Debenture I had a maturity date of August 22, 2019 and an annual interest rate of 8% compounded monthly. The holder has the right to convert any part of the amount owing into common shares of the Company at a conversion price of $9.00 per common share.

Kerr Debenture II

The Company has a convertible promissory note in the amount of US$1,000,000 ("Kerr Debenture II") payable to TOMCL. The Kerr Debenture II had a maturity date of August 22, 2019 and an annual interest rate of 8%, compounded monthly. The holder has the right to convert any part of the amount owing into common shares of the Company at a conversion price of $0.65 per common share.

Kerr Debenture I and II

Since the convertible promissory note payables are denominated in US dollars but are convertible into common shares based upon a Canadian dollar conversion rate, therefore the fixed for fixed criteria is not met. As such, the conversion feature was classified as a derivative financial liability instead of an equity instrument. The Company has separated the convertible promissory notes payable into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In November 2018, the Kerr Debenture I and II convertible promissory notes were amended by extending the maturity date from August 22, 2019 to August 22, 2020. As a result, the Company extinguished these two convertible promissory notes when they were amended on November 28, 2018 and treated them as two new convertible promissory notes with a maturity date of August 22, 2020. The Company calculated the fair value of the conversion feature and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In March 2020, the Kerr Debenture I and II convertible promissory notes maturity date were extended to January 20, 2021 and then again to August 22, 2021. As a result, the Company treated them as two new convertible promissory notes with a new maturity date of August 22, 2021. The Company calculated the fair value of the conversion features and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In November 2020, the Kerr Debenture I and II convertible promissory notes maturity date was extended to December 31, 2023. The rate of interest payable upon the principal of the notes has been increased from 8% to 10% as of November 12, 2020 with the interest payable quarterly starting on the commencement of commercial production. The Company calculated the fair value of the conversion features and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value.

In March 2023, the Kerr Debenture I and II convertible promissory notes were amended by extending the maturity date from December 31, 2023 to June 30, 2025. As a result, the Company extinguished these two convertible promissory notes when they were amended and treated them as two new convertible promissory notes. The Company calculated the fair value of the conversion feature and re-allocated the convertible promissory note payables into two components, with the debentures carried at amortized cost, and the derivative liabilities carried at fair value (note 14).

On November 2, 2023 Braydon forgave $1.5 million in accrued interest on their promissory notes in return for an initial cash payment totalling $1.975 million and deferred payments of $0.9 million and $0.6 million by November 2024 and November 2025, respectively.

Management considered the differences between the terms of the financing component before and after restructuring to be substantial, resulting in the transaction being treated as an extinguishment of liability and recognition of a new liability.

The Company identified significant financing components related to the repayments and recognized the interest expense at the incremental interest rate of 15.45% (2022 – 10%). During 2023 the Company updated the initial estimates related to the timing of the repayments.

Promissory Convertible Note

Braydon and TOMCL each provided promissory notes of $1,000,000 to the Company, bearing interest at 8% beginning in September 2017 and having a maturity date of August 22, 2020. The notes are secured by a general security agreement on the Copperstone Mine. In November, the maturity date was extended to January 20, 2021 and then again to August 22, 2021. In November 2020, the maturity date was extended to December 31, 2023. The rate of interest payable on the principal of the notes has been increased from 8% to 10% as of November 12, 2020, with interest payable quarterly starting upon the commencement of commercial production. The promissory notes were also amended to include a conversion feature providing that the principal amount of the notes can be converted into common shares of Sabre Gold at any time prior to maturity at a price of $1.60 per share, subject to early conversion in the event the volume-weighted average trading price of the common shares exceeds $3.00 for twenty consecutive trading days.

The conversion feature of a convertible financial instrument is presumed to be classified as a derivative financial liability unless it meets all the criteria to be recognized as an equity instrument under IAS 32 - Financial Instruments: Presentation. One of the criteria is that the conversion option exchanges a fixed amount of shares for a fixed amount of cash ("fixed for fixed").

The conversion feature of the $2,000,000 promissory notes was classified as equity since it met the fixed for fixed criteria. The Company used the residual value method to allocate the principal amount between the liability and equity components. The Company calculated the fair value of the debt component as $1,823,805 using discount rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The remaining value of $176,194, deducted the deferred tax liability of $46,691, was assigned to the equity component.

In March 2023 the principle amount was repaid in cash and the accrued interest was converted into shares at a deemed value of $0.30 per share (Notes 16(b) and 20).

(Expressed in Canadian Dollars)

14. Derivative financial liabilities

The following table summarizes the derivative financial liabilities:

	Kerr Debenture I	Kerr Debenture I	Seabridge	Total
Balance, December 31, 2021	**$ 5,348**	**$ 43,914**	**$ 1,436**	**$ 50,698**
Fair value adjustment	(2,086)	8,378	(1,436)	4,856
Balance, December 31, 2022	**$ 3,262**	**$ 52,292**	**$ -**	**$ 55,554**
Fair value adjustment due to amendment	(3,262)	(52,292)	-	(55,554)
Derivative financial liabilities on initial recognition	47,438	131,681	-	179,119
Fair value adjustment	(43,053)	(86,199)	-	(129,252)
Balance, December 31, 2023	**$ 4,385**	**$ 45,482**	**$ -**	**$ 49,867**

15. Decommissioning liabilities

The Company's decommissioning liability relates to the cost of removing and restoration of the Copperstone Mine in La Paz County, Arizona. Significant reclamation and closure activities include land rehabilitation, demolition of buildings and mine facilities, ongoing care and maintenance and other costs. This estimate depends on the development of environmentally acceptable mine closure plans.

A continuity for asset retirement obligations is as follows:

Balance, December 31, 2021	**$ 2,221,965**
Accretion expense for the year	74,578
Foreign exchange differences	154,657
Changes in estimates	(3,976)
Balance, December 31, 2022	**2,447,224**
Accretion expense for the period	94,622
Foreign exchange differences	(57,999)
Change in estimates	(67,710)
Balance, December 31, 2023	**$ 2,416,137**

Copperstone:

The mine closure provision liability is based upon numerous estimates and assumptions, as follows:

i) Total undiscounted amount of future retirement costs was estimated to be $3,211,721 to which the Company has provided cash collateral as disclosed in note 4.
ii) Risk-free rate at 3.88% (December 31, 2022: 3.96%).
iii) Expected timing of cash outflows required to settle the obligation is for the full amount to be paid in 2030 (December 31, 2023: 2030).
iv) Inflation over the period up to 2030 was estimated to be 2.09% per annum (December 31, 2022: 2.06%).

(Expressed in Canadian Dollars)

16. Share capital

a) Authorized share capital.

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

On November 9, 2022, the Company effected a consolidation of its capital on the basis of ten (10) existing common shares for one (1) new common share. All shares, options, warrants, and per share amounts were adjusted to reflect the consolidation ratio.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2021 and 2022	**63,291,235**	**$ 176,664,167**
Private placement, net of costs (i)	4,166,238	495,300
Shares issued for interest(ii)	4,068,626	854,411
Shares issued to Star Royalties(iii)	7,407,407	851,852
Shares issued to settle debt	717,037	96,800
Balance, December 31, 2023	**79,650,543**	**$ 178,962,530**

(i) On January 24, 2023, the Company closed a private placement, by issuing 4,166,237 units of the Company (the "Units") at a price of $0.17 per Unit for total gross proceeds of $708,260. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of $0.30 per share for a period of 24 months from the date of issuance, provided, that if, at any time the common shares trade at a volume weighted average trading price of $0.45, or greater, per share for a period of 20 consecutive trading days. The Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and in such case the warrants will expire on the 30th day after the date on which such notice is given by the Company. The fair value of the 2,083,119 share purchase warrants was estimated at $170,140 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 3.64%; volatility 120.83% and an expected life of 24 months. In connection with the private placement, the Company incurred legal and other cost of $31,516.

(ii) The company repaid interest on the redeemed promissory notes by issuing shares at a deemed value of $0.30 each.

(iii) Star Royalties were issued shares as part of the consideration for restructuring the streaming agreement (note 13)

17. Share-based payments reserve

The purpose of the Company's stock option plan is to provide incentives to Directors, Officers, employees and consultants of the Company. The maximum number of common shares reserved for issuance upon exercise of the options is 10% of issued and outstanding shares. The Board of Directors may designate the recipients of options and determine the number of common shares covered by each option, its exercise price (which may not be less than closing market price of the common shares on the trading day prior to the grant) and its expiry date. The term of the options shall not exceed five years from the date of grant.

Option pricing models require the input of highly subjective assumptions as noted above. Changes in the subjective input assumptions can materially affect the fair value estimate.

(Expressed in Canadian Dollars)

The following table reflects the continuity of stock options for the years ended December 31, 2023 and 2022:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2021	**3,961,300**	**$ 1.30**
Issued	150,000	1.00
Cancelled	(920,050)	(1.61)
Balance, December 31, 2022	**3,191,250**	**$ 1.22**
Issued(i) (ii)	2,125,000	0.18
Cancelled	(581,250)	1.74
Balance, December 31, 2023	**4,735,000**	**$ 0.69**

(i) On April 3, 2023, the Company issued 1,875,000 stock options to directors and employees of the Company with an exercise price of $0.180. One third of the options vested immediately, a further third will vest on April 3, 2024 and the final third will vest on April 3, 2025. The fair value of these options at the date of grant of $132,380 was assigned to the stock options as estimated by using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of $0.180; 100.87% expected volatility; risk free interest rate of 2.94%; and an expected dividend yield of 0%.

(ii) On April 3, 2023, the Company issued 250,000 stock options to an officer of the Company with an exercise price of $0.180. One quarter of the options vested immediately, a further quarter will vest on October 3, 2023, a further quarter will vest on April 3, 2024 and the final quarter will vest on October 3, 2024. The fair value of these options at the date of grant of $132,380 was assigned to the stock options as estimated by using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of $0.180; 100.87% expected volatility; risk free interest rate of 2.94%; and an expected dividend yield of 0%.

During the year ended December 31, 2023, $111,042 was expensed to share based payments (2022 - $nil) and $61,511 was capitalized as mineral properties (2022 - $57,800).

The following table reflects the actual stock options issued and outstanding as of December 31, 2023:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
January 29, 2024	1.40	0.08	50,000	50,000
April 15, 2024	1.25	0.29	80,000	80,000
April 17, 2024	1.35	0.30	220,000	220,000
April 17, 2024	1.30	0.30	160,000	160,000
April 17, 2024	1.00	0.30	550,000	550,000
April 18, 2025	1.30	1.33	320,000	320,000
January 3, 2026	1.40	2.01	50,000	50,000
October 21, 2026	1.00	2.81	1,000,000	1,000,000
December 17, 2026	1.00	2.96	30,000	30,000
May 1, 2027	1.00	3.33	150,000	150,000
April 3, 2028	0.18	4.26	2,125,000	687,500
	0.69	**2.80**	**4,735,000**	**3,297,500**

(Expressed in Canadian Dollars)

c) Deferred share units ("DSU's")

The Company has a DSU plan for non-executive directors and employees of the Company. Under the terms of the plan, each vested DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU plan, one common share in the Company. Shares eligible for issuance under the DSU plan will be subject to the total DSU's granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company.

For the purposes of the DSU plan, the value of the DSU on the grant date is the market price, being the five-day volume weighted average price of the common shares immediately preceding the grant date.

Balance, December 31, 2022	**-**
Granted	130,000
Balance, December 31, 2023	**130,000**

During the year ended December 31, 2023, $16,733 was expensed to share based payments (2022 - $nil) and $6,667 was capitalized as mineral properties (2022 - $nil).

d) Restricted share units ("RSU's")

The Company has an RSU plan for non-executive directors and employees of the Company. Under the terms of the plan, each vested RSU awarded entitles the RSU holder to receive, subject to adjustment as provided for in the RSU plan, one common share in the Company. The RSU's are considered equity settled. RSU's will vest over a period of up to three years from the date of grant. Shares eligible for issuance under the RSU plan will be subject to the total RSU's granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company.

RSUs are measured at fair value on the date of grant based on the five-day volume weighted average price at the common shares immediately preceding the grant date and are recognized as share-based compensation expense on a straight-line basis over the vesting period. The corresponding amount is recorded to the share-based payment reserve. Upon the exercise of RSUs, the related share-based payment reserve is transferred to share capital.

Balance, December 31, 2022	**-**
Granted	130,000
Balance, December 31, 2023	**130,000**

During the year ended December 31, 2023, $16,733 was expensed to share based payments (2022 - $nil) and $6,667 was capitalized as mineral properties (2022 - $nil).

18. Warrant reserve

The following table reflects the continuity of warrants for the years ended December 31, 2023 and 2022:

	Number of Warrants	**Amount**
Balance, December 31, 2021	**5,789,919**	**$2.10**
Cancelled	(4,626,669)	2.10
Balance, December 31, 2022	**1,163,250**	**$2.04**
Issued	2,083,119	0.30
Issued	13,200	0.20
Cancelled	(1,163,250)	(2.05)
Balance, December 31, 2023	**2,096,319**	**$0.30**

(Expressed in Canadian Dollars)

The following table reflects the actual warrants issued as at December 31, 2023

Expiry date	Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)
January 24, 2023	2,083,119	165,652	0.30
January 24, 2023	13,200	2,244	0.20
Balance, December 31, 2023	**2,096,319**	**167,896**	**0.30**

During the year ended December 31, 2023, 998,250 warrants were cancelled and $267,595 was transferred from share based payments reserve to other reserve.

19. Loss per share

For the year ended December 31, 2023, diluted loss per share has been calculated based on the gain attributable to common shareholders of $7,521,434 and the weighted average number of common shares outstanding of 79,074,327. For the year ended December 31, 2023, basic loss per share has been calculated based on the gain attributable to common shareholders of $6,934,079 (2022 loss - $6,880,066) and the weighted average number of common shares outstanding of 71,983,008 (2022 - 63,291,235). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

(Expressed in Canadian Dollars)

20. Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) The outstanding balances with related parties were as follows:

	As at December 31, 2023	As at December 31, 2022
Deferred revenue (note 10)	**$ 6,572,216**	$ 14,327,514
Other liabilities (note 11)	**1,659,367**	-
Promissory note payables (note 12)	**2,617,526**	5,763,911
Convertible promissory note payables (note 13)	**3,261,216**	9,689,575
Derivative financial liabilities (note 14)	**49,867**	55,554
	$ 14,160,192	**$ 29,836,554**

(b) The value of transactions with related parties were as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Braydon Capital Corporation(i)	**$ 35,753**	$ 697,696
Trans Oceanic Minerals Corporation Ltd(ii)	**3,504,355**	753,771
Star Royalties(iii)	**504,585**	(3,455,922)
A Director(iv)	**-**	800,000
Faraday Copper Corp	**-**	17,506
NevGold Corp	**-**	40,592
Individuals related to a director of the Company	**-**	20,250
	$ 4,044,693	**$ (1,126,107)**

i) During the year ended December 31, 2023, the Company accrued interest to Braydon for the promissory note payable (note 12), paid a break fee in relation to the sale of the Gold Candle royalty (note 24) and forgave $1.5 million in accrued interest on their promissory notes.
ii) During the year ended December 31, 2023, the Company accrued interest to TOMCL for the convertible promissory notes payable (note 13), purchased a 3% net smelter royalty, paid a break fee in relation to the sale of the Gold Candle royalty (note 20) and forgave $1.5 million in accrued interest on their promissory.
iii) During the year ended December 31, 2023, the Company accrued interest to Star Royalties for deferred revenue and accretion expense in relation to the other liability (notes 10 and 11).
iv) A Director purchased 14,500,000 shares in C2C Gold for $800,000 in a private sale.

(Expressed in Canadian Dollars)

(c) Repayment of debt associated with related parties was as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Braydon Capital Corporation(i)	$ **2,975,000**	$ -
Trans Oceanic Minerals Corporation Ltd(ii)	**2,975,000**	-
Star Royalties(iii)	**2,550,000**	-
	$ **8,500,000**	$ **-**

i) During the year ended December 31, 2023, the Company repaid promissory notes and convertible promissory notes in cash totalling $2.975 million.
ii) During the year ended December 31, 2023, the Company repaid promissory notes and convertible promissory notes in cash totalling $1.975 million.
iii) During the year ended December 31, 2023, the Company repaid other liabilities of $2.550 million.

(d) Remuneration of Directors and key management personnel, other than consulting fees, of the Company was as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Salaries and benefits	$ **313,927**	$ 244,953
Consulting fees	**517,500**	472,798
Share based payments	**117,061**	38,533
	$ **948,488**	$ **756,284**

The Directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services.

21. Commitments and contingencies

a) The Company has a surety bond of an insurance company in connection with the Copperstone property. Cash collateral of $819,404 (US$619,540) (note 4) is held with Intact Insurance in the name of the Company in a short-term cashable account.

b) The activities of the Company are subject to environmental laws and regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, endangered species and reclamation of lands disturbed by mining operations. The Company believes it complies with all laws and regulations which currently apply to its activities.

c) On January 28, 2013, the Company entered into an Exploration Memorandum of Understanding (the "MOU") with Kaska Nation represented by the Ross River Dena Council and Liard First Nation regarding exploration activity in their traditional territory.

d) The Company has committed to make payments to certain related parties as part of the debt restructuring these payments of $1.8 million and $1.2 million will be made by November 2024 and November 2025, respectively.

e) The Company has committed to make payments to a related party as part of the gold stream restructuring these payments of $1.2 million and $0.8 million will be made by November 2024 and November 2025, respectively.

f) The Company has agreed to repurchase a 1.5% gross production royalty on the Copperstone Mine from the holder for consideration of US$1,250,000 payable by November 2024 either in cash or in exchange for other certain assets of the Company.

(Expressed in Canadian Dollars)

22. Sale of royalty

The Company sold the 1% net smelter returns royalty it held on the Kerr-Addison Mine claims owned by Gold Candle Ltd. for cash proceeds of US$7 million.

In connection with the sale, the Company terminated the previously announced proposed sale of the royalty and paid the agreed upon break fee of US$500,000 (note 20(b)).

23. Income taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended December 31, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Gain/(loss) before incomes taxes	$ 7,864,596	$ (6,880,066)
Combined statutory rate	26.5%	26.5%
Estimated recovery of income taxes	2,084,118	(1,823,000)
Non-deductible expenditures	1,066,335	885,950
Share issue costs	(34,750)	(43,495)
Foreign tax rate differential	-	39,946
Deferred tax asset not recognised	(3,115,703)	940,816
Deferred tax asset not recognized	**$ -**	**$ -**

The Canadian statutory income tax rate of 26.5% (2022 – 26.5%) is comprised of the federal income tax rate at approximately 15% (2022 – 15%) and the provincial income tax rate of approximately 11.5% (2022 – 11.5%).

The primary differences which give rise to the deferred income tax assets (liability) as at December 31, 2022 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Deferred income tax assets (liability)		
Non-capital loss carry forwards	$ 28,536,000	$ 43,709,000
Pre-production investment tax credit	739,000	775,000
Other timing differences	(4,068,000)	(3,056,000)
Resource expenditures	28,750,000	24,036,000
Net capital losses	(2,637,000)	(2,295,000)
	56,594,000	68,389,000
Deferred tax asset not recognized	(56,594,000)	(68,389,000)
Deferred income tax assets (liabilities)	**$ -**	**$ -**

As at December 31, 2023, the unamortized balance, for income tax purposes, of the share issuance fees amounts to approximately $300,000 (December 31, 2022 - $410,941) and will be deductible over the next four years.

As at December 31, 2023, the Company has $138,605,000 (December 31, 2022 - $138,200,000) of unused resource expenses available to offset future taxable income. The tax benefits pertaining to these expenses are available to carry forward indefinitely. In addition, the Company has resource pools of $67,709,000 in the United States as at December 31, 2023, which can be utilized to be deducted against future resource profits.

As at December 31, 2023, the Company has $2,787,000 (December 31, 2022 - $2,413,000) of certain Investment Tax Credits that can be used to offset future taxes payable.

As at December 31, 2023, the Company has Canadian loss carry-forwards of approximately $83,015,000 (December 31, 2022 - $105,240,000) and US tax loss carry forwards of approximately $28,587,000 (December 31, 2022 - $30,727,000). These non-capital losses can be used to offset future taxable income and begin to expire in 2024. The Company also has Canadian capital loss carryforwards of approximately $9,950,000 (December 31, 2022 - $5,802,000) that can be carried forward indefinitely and be applied against future capital gains.

The benefits of these losses, tax credits and resource expenditures, in excess of any taxable temporary differences, have not been recorded in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities are presented below.

The Sprott note (note 13) has been separated into liability and equity components on its initial recognition. The tax base of the convertible debenture on initial recognition is its face value and resulted in a taxable temporary difference arising from the equity components. Consequently, the Company recognized the deferred tax liability, which is charged directly to the carrying amount of the equity components.

The interest accretion expense increased the carrying value of liability component and reduced the temporary difference, and then reduced the carrying value of deferred tax liabilities. The convertible debenture extension increased the taxable temporary difference and deferred tax liability again.

(Expressed in Canadian Dollars)

24. Segmented information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Company.

For management purposes, the Company uses the same measurement policies as those used in its financial statements. The CODM evaluates performance of each segment based on net profit (loss).

As at December 31, 2023, the Company's operations comprise of a mineral exploration and development project in La Paz County, Arizona ("USA") and a head office in Vancouver, Canada.

Year Ended December 31, 2023	**Canada**	**USA**	**Total**
Revenues	$ -	$ -	$ -
Net income (loss)	$ 7,616,106	$ (94,672)	$ 7,521,434

Year Ended December 30, 2022

	Canada	**USA**	**Total**
Revenues	$ -	$ -	$ -
Net income (loss)	$ (8,991,045)	$ 2,110,979	$ (6,880,066)

As at December 31, 2023	**Canada**	**USA**	**Total**
Total assets	$ 7,014,507	$ 38,857,917	$ 45,872,424
Non-current assets	$ 2,085,024	$ 37,856,035	$ 39,941,059

As at December 31, 2022

	Canada	**USA**	**Total**
Total assets	$ 19,140,118	$ 34,516,869	$ 53,656,987
Non-current assets	$ 19,877,800	$ 33,228,531	$ 53,106,331