GALLOPER GOLD CORP.

Financial Statements

December 31, 2023

(Expressed in Canadian dollars)

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Independent Auditor's Report

To the Shareholders of Galloper Gold Corp.

Opinion

We have audited the financial statements of Galloper Gold Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and December 31, 2022, and the statements of operations and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of Impairment Indicators of Exploration and Evaluation Assets

Description

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. Impairment indicators were identified by management for the Triple Point, Wolf Mountain/Steel Pond, Puddle Pond, Hughes Lake, and Facheux properties. An impairment charge of $ 1,249,271 was recorded against the balance of exploration and evaluation assets recorded to the Triple Point, Wolf Mountain/Steel Pond, Puddle Pond, Hughes Lake, and Facheux properties. No impairment indicators were identified by management for the Glover Island and Mint Pond/Gander East properties as of December 31, 2023.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at December 31, 2023, was $ 753,569, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 3 to the financial statements.

How the Key Audit Matter Was Addressed in the Audit
Our approach to addressing the matter included the following procedures, among others:
Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained a sample of mineral claim and permit listings held by the Company and confirmed the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

"D&H Group LLP"

Vancouver, B.C.
April 17, 2024

Chartered Professional Accountants

GALLOPER GOLD CORP.
Statements of financial position
(Expressed in Canadian dollars)

	December 31, 2023 $	December 31, 2022 $
Assets		
Current assets		
Cash	1,968,746	2,603,352
Current marketable securities (Note 5)	147,500	–
GST receivable	37,768	206,650
Deposits and prepaid expenses	3,000	157,432
Total current assets	2,157,014	2,967,434
Non-current assets		
Restricted marketable securities (Note 5)	295,000	–
Exploration and evaluation assets (Note 6 and 7)	753,569	2,443,140
Total assets	3,205,583	5,410,574
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	59,814	65,525
Total liabilities	59,814	65,525
Shareholders' equity		
Share capital (Note 10)	8,346,756	8,271,756
Deficit	(5,200,987)	(2,926,707)
Total shareholders' equity	3,145,769	5,345,049
Total liabilities and shareholders' equity	3,205,583	5,410,574

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

Approved and authorized for issuance by the Board of Directors on April 16, 2024:

"Mark Scott"
Mark Scott, Director

"Bryan Loree"
Bryan Loree, Director

(The accompanying notes are an integral part of these financial statements)

GALLOPER GOLD CORP.
Statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Expenses		
Exploration expenses (Note 8)	527,048	1,586,780
Professional fees	186,160	37,866
Consulting	343,285	303,000
Advertising & promotions	127,434	356,929
Exchange & filing fees	20,250	21,739
Office & miscellaneous	27,623	8,386
Travel	45,985	73,722
Total operating expenses	1,277,785	2,388,422
Net loss before other income	(1,277,785)	(2,388,422)
Change in fair value of marketable securities	(765,000)	–
Exploration rebate	7,394	–
Gain on disposal of Long Range	1,010,382	–
Impairment of exploration and evaluation assets	(1,249,271)	–
Net loss and comprehensive loss for the year	(2,274,280)	(2,388,422)
Loss per share, basic and diluted	(0.08)	(0.11)
Weighted average shares outstanding	30,185,764	21,859,362

(The accompanying notes are an integral part of these financial statements)

GALLOPER GOLD CORP.
Statements of changes in equity
(Expressed in Canadian dollars)

	Share capital			
	Number of shares	Amount $	Deficit $	Total shareholders' equity $
Balance, December 31, 2021	14,435,855	2,135,030	(538,285)	1,596,745
Issuance of common shares (Note 10)	12,506,530	5,041,899	–	5,041,899
Share issuance costs	–	(25,173)	–	(25,173)
Issuance of common shares pursuant to exploration property option agreements	3,200,000	1,120,000	–	1,120,000
Net loss	–	–	(2,388,422)	(2,388,422)
Balance, December 31, 2022	30,142,385	8,271,756	(2,926,707)	5,345,049
Issuance of common shares pursuant to finder's fee on property sale	166,667	75,000	–	75,000
Net loss	–	–	(2,274,280)	(2,274,280)
Balance, December 31, 2023	30,309,052	8,346,756	(5,200,987)	3,145,769

(The accompanying notes are an integral part of these financial statements)

GALLOPER GOLD CORP.
Statements of cash flows
(Expressed in Canadian dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Operating activities		
Net loss for the year	(2,274,280)	(2,388,422)
Items not involving cash:		
Impairment of exploration and evaluation assets	1,249,271	–
Gain on sale of exploration & evaluation asset	(1,010,382)	–
Change in fair value of marketable securities	765,000	–
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	(5,711)	(4,722)
Accounts receivable	168,883	(166,046)
Deposits and prepaid expenses	154,432	(154,932)
Net cash used in operating activities	(952,787)	(2,691,714)
Investing activities		
Acquisition of exploration and evaluation assets	(100,469)	(836,640)
Claim staking refund	255,850	–
Cash proceeds from the sale of Long Range	162,800	–
Net cash provided by (used in) investing activities	318,181	(836,640)
Financing activities		
Proceeds from issuance of shares	–	5,041,899
Share issuance costs	–	(25,173)
Net cash provided by financing activities	–	5,016,726
Increase (decrease) in cash	(634,606)	1,488,372
Cash, beginning of the year	2,603,352	1,114,980
Cash, end of year	1,968,746	2,603,352

Supplemental Cash Flow Information

During the year ended December 31, 2023 and year ended December 31, 2022, the Company had the following non-cash transactions affecting cash flows from investing activities:

- The Company issued 166,667 common shares with a fair value of $75,000 as a finder's fee on the sale of the Long Range property for the year ended December 31, 2023.
- The Company issued 3,200,000 common shares with a fair value of $1,120,000 for the acquisition of exploration and evaluation assets for the year ended December 31, 2022.

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

Galloper Gold Corp. (the "Company") was incorporated on October 6, 2021 under the Business Corporations Act (BC). The Company's registered office is at Suite 900 – 885 West Georgia Street, Vancouver, BC, V6C 3H1. On December 21, 2021, the Company changed its name from 1327364 B.C. Ltd. to Galloper Gold Corp. The Company's fiscal year end is December 31.

The Company is an exploration stage company currently focused on the exploration of mineral properties in Newfoundland and Labrador, Canada. It has not yet been determined whether the properties contain mineral reserves that are economically recoverable. The operations of the Company will require various licences and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development, and mining operations at the project. Failure to comply with these conditions may render the licences liable to forfeiture.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2023, the Company has no source of revenue and does not generate cash flows from operating activities. These factors raise doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. Management estimates the Company has sufficient funds to further operations for the upcoming twelve months.

2. Basis of Preparation

Basis of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB") and they are consistent with interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies adopted in these financial statements are based on IFRS's in effect at December 31, 2023.

Basis of measurement

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of consolidation

The comparative figures for the year ended December 31, 2022 include the accounts of the Company and its wholly owned subsidiary, incorporated in Canada, Rocky Island Gold Corp. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases. On January 1, 2023, the Company amalgamated with Rocky Island Gold Corp. and did not have any subsidiaries during the year ended December 31, 2023.

3. Material accounting estimates and judgements

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain.

3. Material accounting estimates and judgements

The impact of estimates and judgments is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, or changes to judgments, are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- Valuation of marketable securities

The Company recognized its investment in marketable securities at fair value through profit or loss. Marketable securities are valued using quoted market prices, thus minimal estimation is required. Purchases and sales of marketable securities are recorded on the trade date and the transaction costs are expended as incurred. Realized and unrealized gains and losses on these securities are included in other items in the Statements of operations and comprehensive loss.

- Going concern

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

- Exploration and evaluation expenditures

Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods. During fiscal 2023 and 2022 management determined impairment indicators were present in certain of its exploration and evaluation assets and an impairment test was performed. See Note 7 for details.

4. Material Accounting Policy Information

(a) Cash

Cash includes cash on hand.

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(b) Exploration and Evaluation Assets

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The

4. Material Accounting Policy Information (continued)

(b) Exploration and Evaluation Assets (continued)

Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

(c) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

(d) Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of operations.

(e) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

4. Material Accounting Policy Information (continued)

(e) Reclamation and Remediation Provisions (continued)

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(f) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets and liabilities carried at FVOCI are initially recorded at fair value. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in comprehensive income or loss in the period they arise. On recognition, communicative gains and losses of financial assets in other comprehensive income or loss are reclassified to period in which profit or loss occurs.

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. Regardless of whether credit risk has increased significantly, the loss allowance for trade receivables without a significant financing component classified at amortized cost, are measured using the lifetime expected credit loss approach. The Company shall recognize in the statements

4. Material Accounting Policy Information (continued)

(f) Financial Instruments (continued)

of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(g) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(h) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(Expressed in Canadian dollars)

4. Material Accounting Policy Information (continued)

(i) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at December 31, 2023, the Company had 2,583,334 (2022 – 2,583,334) potential dilutive shares outstanding.

(j) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of operations.

(k) Share-based Payments

The fair value of options granted is recognized as a share-based payment expense or capitalized to exploration and evaluation assets with a corresponding increase in equity reserves.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of granted options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to settle amounts due or for goods or services received by the Company as consideration which cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the amount settled or goods or services received.

5. Marketable Securities

The Company received 750,000 common shares of Vortex Energy Corp. (“Vortex”) pursuant to the Long Range property sale. The common shares of Vortex are listed on the CSE. The common shares of Vortex are restricted and 250,000 shares are released every 6 months.

Name of Security	Carrying Value December 31, 2022	Additions	Unrealized Gain (Loss)	Fair Value December 31, 2023
	$	$	$	$
Vortex Energy Corp. (VRTX:CSE)	–	1,207,500	(765,000)	442,500

(Expressed in Canadian dollars)

6. Acquisition of Rocky Island Gold Corp.

On May 20, 2022, the Company purchased all of the issued and outstanding shares of Rocky Island Gold Corp. (“RIG”) from Sassy Resources Corporation. As such, RIG was a wholly-owned subsidiary of the Company. The purchase price consisted of cash consideration of $700,000 and 2,666,667 common shares of the Company with a fair value of $880,000. The parties have entered into a Royalty Agreement whereby the Company will grant to the Vendor a one percent (1%) net smelter royalty, in addition to a one percent (1%) net smelter royalty held by Vulcan Minerals Inc. The assets of RIG consisted of 5,723 mineral claims in Newfoundland & Labrador, which make up the claim blocks/properties referred to as Glover Island, Triple Point, Long Range, and Gander East/Mint Pond.

In addition to the consideration paid, the Company shall pay additional consideration as follows:

- an additional one million ($1,000,000) dollars shall be paid to the Vendor upon completion of a positive feasibility that shows that placing a Property or part thereof into production is feasible and economic;
- an additional one million ($1,000,000) dollars shall be paid to the Vendor upon the declaration of a five hundred thousand (500,000) ounce gold equivalent resource proven, measured, indicated and inferred (“PMII”) on any Property; and
- an additional one million ($1,000,000) dollars shall be paid to the Vendor upon the declaration of a one million (1,000,000) ounce gold equivalent resource PMII on any Property.

This transaction was accounted for as an asset acquisition in line with IFRS 3. The value of the shares issued over the value of RIG’s shares was attributed to exploration and evaluation assets.

	$
Cost of acquisition	
2,666,667 common shares at a fair value of $0.33	880,000
Cash payment	700,000
Net assets acquired	1,580,000

7. Mineral Properties

Rocky Island Gold Properties

The Rocky Island properties included Glover Island, Gander East/Mint Pond,Triple Point, and Long Range, (Note 6) in Newfoundland & Labrador.

On July 31, 2023, the Company completed the sale of 100% interest in the Long Range property to Vortex Energy Corp. (Vortex). The purchase payment consisted of $162,800 in cash and 750,000 Vortex shares. The sale is also subject to bonus payments of:

(i) 1,000,000 common shares if Vortex completes a drill hole on the property which intersects a core length of at least 300 meters with an average grade of at least 90% sodium chloride (NaCl); and

(ii) 3,000,000 common shares and $1,000,000 if Vortex first utilizes, on a commercial basis, any salt caverns on the Property for underground energy storage.

(Expressed in Canadian dollars)

7. Mineral Properties (continued)

Rocky Island Gold Properties (continued)

The sale of the Long Range property resulted in a gain of $1,010,382, which was the difference in the original cost allocated to the property of $284,918, and the fair value of the Vortex common shares received of $1,207,500 along with the $162,800 cash payment, and the finder's fee. 500,000 common shares with a fair value of $75,000 were issued as the finder's fee on the transaction.

During the year ended December 31, 2023, the Company relinquished its interest in the Triple Point property. The acquisition costs of $402,770 for the Triple Point property has been written down to $nil and the impairment has been reflected in these financial statements ended December 31, 2023.

As at December 31, 2023, the Company holds two properties, which consist of the Glover Island and Mint Pond/Gander East properties.

C2C Claims – Glover Island

On March 21, 2023, the Company purchased 100% interest in 123 additional mineral exploration claims on Glover Island from C2C Gold Corp., a private Canadian company, for cash consideration of $90,393. These claims are included as part of the Company's Glover Island property.

Mineral property costs associated with the RIG properties are as follows:

	Gander East / Mint Pond	Glover Island	Triple Point	Long Range	Total
	$	$	$	$	$
Balance, December 31, 2021	–	–	–	–	–
Additions:					
Cash payments	322,458	72,869	178,443	126,230	700,000
Fair value of shares issued	405,376	91,607	224,328	158,689	880,000
Claims staking	16,640	–	–	–	16,640
Balance, December 31, 2022	744,474	164,476	402,771	284,919	1,596,640
Additions:					
Cash payments	–	90,393	–	–	90,393
Claims staking (refund)	(255,850)	10,076	–	–	(245,774)
Impairment	–	–	(402,771)	–	(402,771)
Sale	–	–	–	(284,919)	(284,919)
Balance, December 31, 2023	488,624	264,945	–	–	753,569

Mineral Property Options

On October 28, 2021, the Company entered into four option assignment agreements with 1318228 B.C. Ltd., whereby the Company was assigned the option to acquire a 100% interest in four sets of mineral claims in Newfoundland and Labrador, Canada. The four option agreements consist of the Wolf Mountain/Steel Pond Option Agreement, the Puddle Pond Option Agreement, the Hughes Lake Option Agreement, and the Facheux Option Agreement, (collectively the "Assignment Agreements").

7. Mineral Properties (continued)

Mineral Property Options (continued)

The original option agreements between the assignee and the optionor were dated September 14, 2021 and the aggregate assumption value for the Assignment Agreements was a $345,000 cash payment and the issuance of 333,334 common shares. During the year ended December 31, 2023, the Company relinquished all of the properties related to the four option agreements.

On July 17, 2023, the Company terminated the four option agreements consisting of the Wolf Mountain/Steel Pond, Puddle Pond, Hughes Lake, and Facheux properties. The acquisition costs of $846,500 for these properties was written down to $nil and the impairment was realized during the year ended December 31, 2023. The option agreement terms were as follows:

Wolf Mountain/Steel Pond

The Wolf Mountain/Steel Pond agreement was amended on November 29, 2022, which adjusted the expenditure requirements for each year. To earn 100% interest, the Company must issue a total of 1,333,333 common shares and pay $519,000 and incur expenditures of $3,500,000.

Cash payments must be made as follows:
- $144,000 within ten business days after the execution of the agreement (paid by original optionor);
- an additional $nil on or before the 12-month anniversary (paid);
- an additional $50,000 on or before the 24-month anniversary;
- an additional $75,000 on or before the 36-month anniversary;
- an additional $100,000 on or before the 48-month anniversary; and
- an additional $150,000 on or before the 60-month anniversary.

Fully paid and non-assessable common shares must be issued as follow:
- 250,000 common shares within ten business days after the execution of the agreement (issued);
- an additional 166,666 common shares on or before the 12-month anniversary (issued);
- an additional 166,667 common shares on or before the 24-month anniversary;
- an additional 166,667 common shares on or before the 36-month anniversary;
- an additional 250,000 common shares on or before the 48-month anniversary; and
- an additional 333,333 common shares on or before the 60-month anniversary.

Expenditures must be incurred as follows:
- in the amount of $445,000 on or before March 1, 2022 (completed);
- in the additional amount of $100,000 on or before November 15, 2022 (completed);
- in the additional amount of $665,000 on or before November 15, 2023;
- in the additional amount of $650,000 on or before November 15, 2024;
- in the additional amount of $750,000 on or before November 15, 2025; and
- in the additional amount of $890,000 on or before November 15, 2026.

The optionor retains a 2.5% Net Smelter Royalty. After the Company exercises the option to acquire 100% interest in the property, the Company has first right to purchase a Royalty equal to 1% for $2,500,000. If the Royalty is not purchased, the Company is required to make annual advance royalty payments of $25,000 to the optionor commencing October 30, 2027 until the property begins commercial production.

7. Mineral Properties (continued)

Puddle Pond

To earn 100% interest, the Company must issue a total of 1,166,667 common shares and pay $450,000 and incur expenditures of $1,735,000.

Cash payments must be made as follows:

- $35,000 within ten business days after the execution of the agreement (paid by original optionor);
- an additional $40,000 on or before the 12-month anniversary (paid);
- an additional $50,000 on or before the 24-month anniversary;
- an additional $75,000 on or before the 36-month anniversary;
- an additional $100,000 on or before the 48-month anniversary; and
- an additional $150,000 on or before the 60-month anniversary.

Fully paid and non-assessable common shares must be issued as follow:

- 100,000 common shares within ten business days after the execution of the agreement (issued);
- an additional 133,333 common shares on or before the 12-month anniversary (issued);
- an additional 166,667 common shares on or before the 24-month anniversary;
- an additional 183,333 common shares on or before the 36-month anniversary;
- an additional 250,000 common shares on or before the 48-month anniversary; and
- an additional 333,334 common shares on or before the 60-month anniversary.

Expenditures must be incurred as follows:

- in the amount of $50,000 on or before March 1, 2022 (completed);
- in the additional amount of $60,000 on or before November 15, 2022;
- in the additional amount of $75,000 on or before November 15, 2023;
- in the additional amount of $300,000 on or before November 15, 2024;
- in the additional amount of $500,000 on or before November 15, 2025; and
- in the additional amount of $750,000 on or before November 15, 2026.

The optionor retains a 2.5% Net Smelter Royalty. After the Company exercises the option to acquire 100% interest in the property, the Company has first right to purchase a Royalty equal to 1% for $2,500,000. If the Royalty is not purchased, the Company is required to make annual advance royalty payments of $25,000 to the optionor commencing October 30, 2027 until the property begins commercial production.

Hughes Lake

To earn 100% interest, the Company must issue a total of 883,333 common shares and pay $430,000 and incur expenditures of $1,225,000.

Cash payments must be made as follows:

- $25,000 within ten business days after the execution of the agreement (paid by original optionor);
- an additional $30,000 on or before the 12-month anniversary (paid);
- an additional $50,000 on or before the 24-month anniversary;
- an additional $75,000 on or before the 36-month anniversary;
- an additional $100,000 on or before the 48-month anniversary; and
- an additional $150,000 on or before the 60-month anniversary.

7. Mineral Properties (continued)

Hughes Lake (continued)

Fully paid and non-assessable common shares must be issued as follow:

- 100,000 common shares within ten business days after the execution of the agreement (issued);
- an additional 100,000 common shares on or before the 12-month anniversary (issued);
- an additional 100,000 common shares on or before the 24-month anniversary;
- an additional 166,666 common shares on or before the 36-month anniversary;
- an additional 166,667 common shares on or before the 48-month anniversary; and
- an additional 250,000 common shares on or before the 60-month anniversary.

Expenditures must be incurred as follows:

- in the amount of $33,000 on or before March 1, 2022 (completed);
- in the additional amount of $42,000 on or before November 15, 2022;
- in the additional amount of $50,000 on or before November 15, 2023;
- in the additional amount of $100,000 on or before November 15, 2024;
- in the additional amount of $250,000 on or before November 15, 2025; and
- in the additional amount of $750,000 on or before November 15, 2026.

The optionor retains a 2.5% Net Smelter Royalty. After the Company exercises the option to acquire 100% interest in the property, the Company has first right to purchase a Royalty equal to 1% for $2,500,000. If the Royalty is not purchased, the Company is required to make annual advance royalty payments of $25,000 to the optionor commencing October 30, 2027 until the property begins commercial production.

Facheux

To earn 100% interest, the Company must issue a total of 1,166,667 common shares and pay $500,000 and incur expenditures of $2,565,000.

Cash payments must be made as follows:

- $50,000 within ten business days after the execution of the agreement (paid by original optionor);
- an additional $50,000 on or before the 12-month anniversary (paid);
- an additional $75,000 on or before the 24-month anniversary;
- an additional $75,000 on or before the 36-month anniversary;
- an additional $100,000 on or before the 48-month anniversary; and
- an additional $150,000 on or before the 60-month anniversary.

Fully paid and non-assessable common shares must be issued as follow:

- 100,000 common shares within ten business days after the execution of the agreement (issued);
- an additional 133,333 common shares on or before the 12-month anniversary (issued);
- an additional 166,667 common shares on or before the 24-month anniversary;
- an additional 166,667 common shares on or before the 36-month anniversary;
- an additional 266,667 common shares on or before the 48-month anniversary; and
- an additional 333,333 common shares on or before the 60-month anniversary.

Expenditures must be incurred as follows:

- in the amount of $85,000 on or before March 1, 2022 (completed);
- in the additional amount of $105,000 on or before November 15, 2022 (completed);
- in the additional amount of $125,000 on or before November 15, 2023;
- in the additional amount of $500,000 on or before November 15, 2024;
- in the additional amount of $750,000 on or before November 15, 2025; and

(Expressed in Canadian dollars)

7. Mineral Properties (continued)

Facheux (continued)

- in the additional amount of $1,000,000 on or before November 15, 2026.

The optionor retains a 2.5% Net Smelter Royalty. After the Company exercises the option to acquire 100% interest in the property, the Company has first right to purchase a Royalty equal to 1% for $2,500,000. If the Royalty is not purchased, the Company is required to make annual advance royalty payments of $25,000 to the optionor commencing October 30, 2027 until the property begins commercial production.

Mineral property acquisition costs associated with the optioned properties are as follows:

	Wolf Mountain/Steel Pond	Puddle Pond	Hughes Lake	Facheux	Total
	$	$	$	$	$
Balance, December 31, 2021	223,482	86,517	72,350	104,151	486,500
Additions:					
Cash payments	–	40,000	30,000	50,000	120,000
Fair value of shares issued	75,000	60,000	45,000	60,000	240,000
Balance, December 31, 2022	298,482	186,517	147,350	214,151	846,500
Impairment	(298,482)	(186,517)	(147,350)	(214,151)	(846,500)
Balance, December 31, 2023	–	–	–	–	–

A summary of the combined mineral property acquisition costs of the optioned properties and the RIG properties are as follows:

	Optioned Properties	RIG Properties	Total
	$	$	$
Balance, December 31, 2021	486,500	–	486,500
Additions:			
Cash payments	120,000	700,000	820,000
Fair value of shares issued	240,000	880,000	1,120,000
Claims staking		16,640	16,640
Balance, December 31, 2022	846,500	1,596,640	2,443,140
Additions:			
Cash payments	–	90,393	90,393
Claim staking (refund)	–	(245,774)	(245,774)
Impairment	(846,500)	(402,771)	(1,249,271)
Disposition	–	(284,919)	(284,919)
Balance, December 31, 2023	–	753,569	753,569

(Expressed in Canadian dollars)

8. Mineral Exploration Expenses

Exploration expenses incurred during the year ended December 31, 2022 and the year ended December 31, 2023 are as follows:

	Steel Pond/Wolf Mountain	Puddle Pond	Hughes Lake	Facheux	Mint Pond/Gander East	Glover Island	Triple Point	Long Range	Total
	$	$	$	$	$	$	$	$	$
Exploration Expenses 2022:									
Soil Samples	32,538	42,602	32,542	130,548	663,939	156,837	126,001	82,827	1,267,835
Consulting	25,994	892	1,519	2,849	12,782	18,793	1,642	19	64,490
Geophysics and surveys	54,440	8,312	6,043	15,847	107,841	6,396	15,590	10,994	225,464
Claims maintenance	6,384	936	3,200	2,652	11,871	762	1,866	1,320	28,991
	119,356	52,743	43,304	151,896	796,433	182,789	145,099	95,160	1,586,780
Exploration Expenses 2023:									
Soil Samples	–	–	–	–	169,645	145,815	–	330	315,790
Consulting	9,278	–	–	–	44,410	75,562	–	16,891	146,141
Geophysics and surveys	–	–	–	–	–	–	–	45,910	45,910
Claims maintenance	4,256	468	536	1,326	8,413	1,572	1,756	880	19,207
	13,534	468	536	1,326	222,468	222,949	1,756	64,011	527,048

9. Related Party Transactions

a) During the year ended December 31, 2023, the Company incurred consulting fees of $252,750 (2022 - $228,000) to Directors and Officers of the Company.

b) As at December 31, 2023, expense reimbursements of $nil (2022 - $22,733) remain unpaid and have been included in accounts payable and accrued liabilities.

10. Share Capital

Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

On October 26, 2023, the Company completed a share consolidation of its share capital on the basis of three existing common shares for one new common share. As a result of the share consolidation, the 90,927,168 common shares issued and outstanding were consolidated to 30,309,052 common shares.

All information in these consolidated financial statements is presented on a post-share consolidation basis, including the number and exercise price of all share options and warrants.

Share issuances for the year ended December 31, 2023:

On September 27, 2023, the Company issued 166,667 common shares with a fair value of $75,000 as a finder's fee pursuant to the sale of the Long Range property.

Share issuances for the year ended December 31, 2022:

On February 16, 2022, the Company issued 303,333 common shares at $0.33 per share for gross proceeds of $100,100.

On February 18, 2022, the Company issued 184,848 common shares at $0.33 per share for gross proceeds of $61,000.

On March 23, 2022, the Company issued 148,485 common shares at $0.33 per share for gross proceeds of $49,000.

(Expressed in Canadian dollars)

10. Share Capital (continued)

On April 18, 2022, the Company issued 58,333 common shares at $0.33 per share for gross proceeds of $19,250.

On May 2, 2022, the Company issued 4,188,666 common shares at $0.33 per share for gross proceeds of $1,382,260.

On June 2, 2022, the Company issued 2,666,667 common shares to Sassy Resource Corporation with a fair value of $880,000 pursuant to the purchase Rocky Island Gold Corp.

On August 31, 2022, the Company issued 5,187,087 common shares at $0.45 per share for gross proceeds of $2,334,189.

On September 14, 2022, the Company issued 533,333 common shares with a fair value of $240,000 pursuant to mineral property option agreements.

On September 30, 2022, the Company issued 2,435,778 common shares at $0.45 per share for gross proceeds of $1,096,100.

11. Warrants

A summary of the status of the warrants is as follows:

	Number of warrants	Weighted average exercise price $
Outstanding, December 31, 2021, December 31, 2022 & December 31, 2023	2,583,334	0.15

Additional information regarding outstanding warrants as at December 31, 2023, is as follows:

Number of Warrants		Exercise Price	Expiry Date
2,583,334	$	0.15	November 1, 2024

12. Financial Instruments and Risks

(a) Categories of Financial Instruments and Fair Values

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; and fair value through other comprehensive income ("FVOCI"). The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	December 31, 2023 $	December 31, 2022 $
Cash and cash equivalents	FVTPL	1,968,746	2,603,352
Accounts payable and accrued liabilities	Amortized cost	(59,814)	(65,525)

12. Financial Instruments and Risks (continued)

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(f) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

14. Segmented Information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Canada.

(Expressed in Canadian dollars)

15. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2023	2022
Loss for the year	$ (1,277,785)	$ (2,388,422)
Statutory rate	27%	27%
Expected income tax recovery at statutory rate	(345,002)	(644,874)
Share issuance costs	(1,359)	(1,359)
Other	136,402	–
Change in unrecognized benefit of non-capital loss	209,959	646,233
Income tax recovery	$ –	$ –

Tax pools and losses available to the Company expire as follows:

Year of expiry	Canadian loss carry-forwards	Share issue costs
2041	$ 538,285	$ –
2042	2,393,457	20,138
2043	1,146,418	–
Income tax recovery	$ 4,078,160	$ 20,138

16. Subsequent Events

a) On March 1, 2024, the Company's common shares began trading on the Canadian Securities Exchange (CSE) under the trading symbol "BOOM."

b) Subsequent to December 31, 2023, the Company has sold 140,500 common shares of Vortex Energy Corp. for net proceeds of $41,438.

c) Upon the Company's common shares listing on the CSE, 1,533,335 common shares and 433,334 share purchase warrants are subject to escrow.