BESSOR
MINERALS INC

Years Ended October 31, 2023 and 2022
(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Bessor Minerals Inc.

Opinion

We have audited the financial statements of Bessor Minerals Inc. (the "Company"), which comprise the statements of financial position as at October 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company has negative cash flow from operations and recurring operating losses and as at that date, has an accumulated deficit of $10,069,642. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 of the current period. 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.

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

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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 David Goertz.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

February 28, 2024

BESSOR MINERALS INC.

Statements of Financial Position
As at October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Notes		2023		2022
ASSETS					
Current assets					
Cash and cash equivalents	4	**$**	**280,280**	$	395,537
Accounts receivable			**673**		5,545
Prepaid expenses			**904**		570
			281,857		401,652
Non-current assets					
Marketable securities	5		**-**		22,500
Reclamation Advance	6		**5,000**		5,000
Mineral exploration and evaluation assets	7, 9		**632,508**		613,580
Total assets		**$**	**919,365**	$	1,042,732
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	9	**$**	**30,200**	$	60,178
Total liabilities			**30,200**		60,178
SHAREHOLDERS' EQUITY					
Share capital	8		**9,902,271**		9,902,271
Reserves			**1,056,536**		1,056,536
Deficit			**(10,069,642)**		(9,976,253)
Total shareholders' equity			**889,165**		982,554
Total liabilities and shareholders' equity		**$**	**919,365**	$	1,042,732

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved on behalf of the Board of Directors:

"Kieran Downes" ……………………………… Director
Kieran Downes

"Jason Riley" ……………………………… Director
Jason Riley

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

BESSOR MINERALS INC.
Statements of Loss and Comprehensive Loss
For the Years Ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Notes	2023	2022
Expenses			
Consulting fees	9	**$ -**	$ 50,000
General and administration		**16,306**	17,173
Management fees	9	**24,500**	24,000
Professional fees		**45,243**	59,802
Public company costs		**15,008**	25,794
Travel and related costs		**265**	927
Loss before other income		**(101,322)**	(177,696)
Other Income			
Interest income		**7,933**	2,548
Change in fair value of marketable securities	5	**-**	22,499
Net loss and comprehensive loss for the year		**$ (93,389)**	$ (152,649)
Weighted average number of common shares outstanding			
Basic and diluted		**26,285,623**	21,058,226
Loss per common share			
Basic and diluted		**$ (0.00)**	$ (0.01)

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

BESSOR MINERALS INC.

Statements of Changes in Shareholders' Equity
For the years ended October 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Deficit	Total Equity
Balance, October 31, 2021	20,785,623	$ 9,606,071	$ 1,056,536	$ (9,823,604)	$ 839,003
Private placement	5,000,000	250,000	-	-	250,000
Share issuance costs	-	(13,800)	-	-	(13,800)
Shares issued for mineral exploration and evaluation assets	500,000	60,000	-	-	60,000
Net loss for the year	-	-	-	(152,649)	(152,649)
Balance, October 31, 2022	26,285,623	9,902,271	1,056,536	(9,976,253)	982,554
Net loss for the year	-	-	-	(93,389)	(93,389)
Balance, October 31, 2023	**26,285,623**	**$ 9,902,271**	**$ 1,056,536**	**$ (10,069,642)**	**$ 889,165**

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

BESSOR MINERALS INC.

Statements of Cash Flow
For the Years Ended October 31, 2023 and 2022
(Expressed in Canadian Dollars**)**

		2023		2022
OPERATING ACTIVITIES				
Net loss for the year	**$**	**(93,389)**	$	(152,649)
Items not involving the use of cash				
Change in fair value of marketable securities		**-**		(22,499)
Changes in non-cash working capital				
Accounts receivable		**4,872**		(4,234)
Prepaid expenses		**(334)**		84
Accounts payable and accrued liabilities		**(29,978)**		50,178
Cash used in operating activities		**(118,829)**		(129,120)
INVESTING ACTIVITIES				
Investment in mineral exploration and evaluation assets		**(18,928)**		(72,840)
Proceeds from the sale of marketable securities		**22,500**		-
Cash provided by (used in) investing activities		**3,572**		(72,840)
FINANCING ACTIVITIES				
Proceeds from issuance of shares		**-**		250,000
Share issuance costs		**-**		(13,800)
Cash provided by financing activities		**-**		263,200
Increase (Decrease) in cash and cash equivalents		**(115,257)**		34,240
Cash and cash equivalents, beginning of year		**395,537**		361,297
Cash and cash equivalents, end of year	**$**	**280,280**	$	395,537
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest received	**$**	**7,933**	$	2,548
Shares issued for mineral exploration and evaluation assets	**$**	**-**	$	60,000
CASH AND CASH EQUIVALENTS				
Cash	**$**	**16,983**	$	90,172
Guaranteed investment certificates		**263,297**		305,365
Cash and cash equivalents, end of year	**$**	**280,280**	$	395,537

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Bessor Minerals Inc. was incorporated on June 4, 2007 under the *Business Corporations Act* (Alberta). The address of its head office is Suite 1615 – 200 Burrard Street, Vancouver, British Columbia. The registered and records office of Bessor is located at Suite 250 – 2nd Street SW, Calgary, Alberta T2P 0C1.

The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. On March 21, 2022, the Company was transferred to the NEX board of the TSX Venture Exchange ("TSX-V") and currently trades under the symbol "BST.H". Subsequent to the year ended October 31, 2023, the Company was transferred back to TSX.V. Effective February 9, 2024, the Company's common shares trade on the TSX.V under the symbol "BST.V".

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the year ended October 31, 2023, the Company has negative cash flow from operations and recurring operating losses and as at that date, has an accumulated deficit of $10,069,642. The continuing operations of the Company are dependent upon its ability to obtain sufficient financing and the success of its exploration activities. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and/or issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The audited financial statements (the "Financial Statements") of the Company have been prepared in accordance with and using accounting policies in full compliance with International Financial Standards ("IFRS") and International Accounting Standards ("IAS") as issued by International Accounting Standards Board ("IASB").

These Financial Statements for the year ended October 31, 2023 were approved and authorized for issuance by the Board of Directors on February 28, 2024.

(b) Measurement basis

The Financial Statements are presented in Canadian dollars, which is the functional currency of the Company. The Financial Statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments that are stated at their fair values.

(c) Adoption of new and revised standards and interpretation

At the date of authorization of these Financial Statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's Financial Statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

(a) Significant accounting judgments, estimates and assumptions

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting estimates

Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets, the recoverability and measurement of deferred income tax assets and liabilities, and the recognition and valuation of provisions for restoration and environmental liabilities. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Significant accounting 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 Financial Statements within the next financial year include the Company's going concern assessment.

(b) Cash and cash equivalents

Cash equivalents consist of highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of change in value. Interest from cash is recorded on an accrual basis.

(c) Mineral exploration and evaluation assets

Expenditures incurred before the entity has obtained the legal rights to explore a specific area are expensed. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to development are accounted for as an asset only when technical feasibility and commercial viability of a specific area are demonstrable and when recognition criteria of International Accounting Standard ("IAS") 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are met.

All costs related to investments in mineral property interests are capitalized on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures associated with finding specific mineral resources, net of any recoveries. Costs related to production and administrative expenses and other general indirect costs are expensed. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Upon reaching commercial production, these capitalized costs will be amortized to the residual values, if any, using either the straight-line method over the shorter of the estimated useful life of the asset or the life of mine ("LOM") or the units-of-production method over the estimated recoverable ounces.

Management at least annually assesses carrying values of properties for which events and circumstances may indicate possible impairment. Impairment indicators relevant for exploration and evaluation properties include:

- the rights to explore the area of interest have expired during the period or are near to expiry with no expectation of renewal:
- substantive expenditures on further exploration and evaluation are not planned or budgeted;
- exploration work is discontinued in an area for which commercially viable quantities have not been discovered
- there are unfavourable changes in the property economics or indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The recoverability of exploration and evaluation assets and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, the ability to acquire the necessary permits and approvals, and the profitability of future operations. The Company has not yet determined if any of its future exploration and evaluation properties contain economically recoverable reserves. Amounts capitalized to exploration and evaluation properties as exploration and development costs do not necessarily reflect present or future values.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral property interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures that would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral property interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Once an economically able reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

(d) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss except for items recognized directly in equity or other comprehensive income. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. 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 the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

(e) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost. Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred.

At each financial reporting date presented, the Company has not incurred any decommissioning costs related to the mineral exploration and evaluation assets, and accordingly, no provision has been recorded for such site reclamation or abandonment.

(f) Share-based payments

The Company has a stock option plan that is described in Note 8(c) and grants share options to acquire common shares of the Company to directors, officers, employees and consultants.

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the equity instruments issued on the grant date using Black-Scholes option pricing model and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payment reserve.

Consideration received on the exercise of stock options is recorded as share capital and the amount reflected in reserves is transferred to share capital. Amounts recorded in reserve for unexercised share options remain in reserve upon their expiry or cancellation.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(g) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

(h) Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares.

In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive and as a result diluted loss per share is equal to the basic loss per share.

(i) Equity financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares, being the closing bid price on announcement date, and any residual value is allocated to common share purchase warrants.

(j) Share capital

Common shares

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

Flow-through shares

The Company will from time to time, finances a portion of its exploration activities through the issue of flow-through common shares.

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The shares issued require that the Company make certain qualifying expenditures for tax purposes within two years of issuance, the deduction of which flow through to the shareholders. Accordingly, the Company is not entitled to the related taxable income deductions for such expenditures, giving rise to taxable temporary differences for accounting purposes. A portion of the deferred income tax assets that were not recognized in previous years are recognized as a recovery of income taxes in the statement of loss and comprehensive loss.

The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference (“premium”) between the quoted price of the Company’s existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium (“other liability”) and is reversed into net loss as a deferred tax recovery when the eligible expenditures are incurred, and the Company has enough available unused non-capital losses. If the flow-through shares are not issued at a premium, a liability is not recorded.

(k) Financial instruments

Financial assets

At initial recognition, financial assets are classified as financial assets measured at amortized cost, fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”). Financial assets are recognized initially at fair value, unless they are trade receivables that do not contain a significant financing component

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

in accordance with IFRS 15, which shall be measured at their transaction price. The subsequent measurement of financial assets depends on their classification based on both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

Financial assets measured at amortized costs

A financial asset is measured at amortized cost if it meets the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding; and
- It is not designated as fair value through profit or loss.

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

Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process. Cash and cash equivalents, and certain assets within Receivables are included in this category of financial assets.

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

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FTVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this new FTVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss. The Company does not have any financial assets designated as FTVOCI.

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

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

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of financial assets

The Company shall recognize a loss allowance for expected credit losses ("ECL") on financial assets measured at amortized cost or FVTOCI, a lease receivable, a contract asset or a loan commitment. If the credit risk on the financial instrument has increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to the lifetime expected credit losses, otherwise, it shall be measured at an amount equal to the 12-month expected credit losses.

Financial liabilities

At initial recognition, financial liabilities are classified as financial liabilities measured at amortized cost unless they are financial liabilities at FVTPL (including derivatives that are liabilities), financial liabilities that arise when a transfer of financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market rate or contingent consideration recognized by an acquirer in a business combination. Financial liabilities are recognized initially at fair value. Transaction costs directly attributable to the issue of a financial liability are included in the initial carrying value of financial liabilities if they are not measured at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as follows:

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Financial Liabilities Measured at Amortized Cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Accounts payables and promissory note payables are included in this category of financial liabilities.

Financial Liabilities at FVTPL

Financial liabilities are carried at fair value with gains or losses recognized in net income (loss). Where the financial liability is designated as at FVTPL, only the amount of change in the fair value of the financial liability that is attributable to the changes in the credit risk of that liability shall be presented in OCI and the remaining amount of changes in fair value presented in profit or loss. Transaction costs on financial liabilities at FVTPL are expensed as incurred. The Company does not have any liabilities measured at FVTPL.

The Company classifies its financial instruments as follows:

Financial Assets	**Classification under IFRS 9**
Cash and cash equivalents	FVTPL
Accounts Receivable	Amortized cost
Marketable securities	FVTPL
Reclamation advance	Amortized cost
Financial Liabilities	
Accounts payable	Amortized Cost

4. CASH AND CASH EQUIVALENTS

At October 31, 2023, the Company held one cashable guaranteed investment certificate ("GIC") with a total value of $263,297 (2022 - $305,365), interest-bearing at 4.5% and a maturity date of October 23, 2024. The GIC can be redeemed at any time.

5. MARKETABLE SECURITIES

As at October 31, 2023, the Company had an investment in nil (2022 - 2,250,000) common shares in K2 Resources Inc. ("K2"), representing approximately nil% (2022 - 2%) of the common shares. K2 is a private company with a portfolio of mineral properties.

On December 29, 2022, the marketable securities were sold to a close family member of Vic Jang (a director of the Company) for $22,500. As such, the fair value of the marketable securities as at October 31, 2022 was recorded at $22,500, and recognized a change in fair value of marketable securities of $22,499 for the year ended October 31, 2022.

6. RECLAMATION ADVANCE

During the year ended October 31, 2015, the Company advanced $5,000 to the Minister of Finance of British Columbia as a security deposit for exploration work on the Redhill property (Note 7). The deposit is non-interest bearing.

7. MINERAL EXPLORATION AND EVALUATION ASSETS

Redhill Property – British Columbia, Canada

On July 8, 2015, and as amended July 30, 2019, September 15, 2020, September 22, 2022 and September 20, 2023, the Company entered into an option agreement with Homegold Resources Ltd. ("Homegold"). Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making option payments as follows:

- $5,000 upon signing of the agreement (paid);
- $5,000 on or before each of July 8, 2016 and July 8, 2017 (paid);
- $10,000 on or before July 8, 2018 (paid);
- $7,500 and 300,000 common shares of the Company upon TSX-V acceptance of the July 30, 2019 amendment (paid and issued);
- $5,000 and 300,000 common shares of the Company upon TSX-V acceptance of the September 15, 2020 amendment (paid and issued);
- $17,500 and 500,000 common shares of the Company on or before July 8, 2021 (paid and issued);
- $15,000 and 500,000 common shares of the Company on or before October 7, 2022 (paid and issued);
- $10,000 in accordance with the September 20, 2023 amendment (paid);
- $40,000 on or before July 8, 2024; and
- $295,000 on or before July 8, 2025.

As at October 31, 2023, the total option payments paid is $80,000 in cash and 1,600,000 common shares with a fair value of $135,000.

In addition to the option payments, the Company must spend $650,000 on exploration under the terms of the agreement as follows:

- $20,000 on or before the first anniversary of the agreement (spent);
- $50,000 on or before the second anniversary of the agreement (spent);
- $150,000 on or before the third anniversary of the agreement (spent);
- $30,000 on or before the fourth through ninth anniversaries of the agreement (spent);
- As a result of the September 15, 2020 and September 22, 2022 amendments:
  - An additional $50,000 on an exploration program to commence prior to December 31, 2022 (spent);
  - An additional $100,000 on or before December 31, 2024; and
- $100,000 on or before the tenth anniversary of the agreement.

If the Company exercises the option, Homegold will retain a 2% net smelter return royalty, one-half (1%) of which can be purchased by the Company for $1,000,000 at any time. In the event of commercial production or sale of 100% of the property, Homegold will receive a bonus payment of $500,000 in cash or shares at the election of Homegold. Expenditures can be accelerated at the Company’s election and excess expenditures in any year will be credited towards future years.

(Expressed in Canadian Dollars)

7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

The Company's expenditures incurred on mineral exploration and evaluation assets for the years ended October 31, 2023 and 2022 are as follows:

REDHILL PROPERTY		**2023**		**2022**
ACQUISITION COSTS				
Opening Balance	$	205,500	$	130,500
Additions		10,000		75,000
Ending Balance		**215,500**		**205,500**
DEFERRED EXPLORATION COSTS				
Opening Balance		560,873		499,089
Additions				
Assays		3,366		-
Drilling		24,097		56,257
Geological		-		5,527
Ending Balance		**588,336**		**560,873**
MINERAL EXPLORATION TAX CREDIT				
Opening Balance		(152,793)		(148,849)
Recoveries		(18,535)		(3,944)
Ending Balance		**(171,328)**		**(152,793)**
Total Balance	**$**	**632,508**	**$**	**613,580**

8. SHARE CAPITAL

a) Authorized

The Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

Preferred shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

b) Issued

During the year ended October 31, 2023:

- There were no shares issued during the year ended October 31, 2023.

During the year ended October 31, 2022

- On September 19, 2022, the Company closed a non-brokered private placement and issued 5,000,000 common shares at a price of $0.05 per share for gross proceeds of $250,000. The Company incurred $13,800 of share issuance costs.

- On October 3, 2022, the Company issued 500,000 common shares (valued at $60,000) for the Redhill property (Note 7).

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, key employees and consultants for up to 10% of the outstanding common shares of the Company. Options granted may not exceed a term of 10 years from the date of grant. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

A summary of changes in the Company's stock options outstanding as at October 31, 2023 and 2022 is as follows:

	October 31, 2023		October 31, 2022	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning balance	**405,000**	**$ 0.50**	440,000	$ 0.50
Expired	**(82,500)**	**$ 0.50**	(35,000)	$ 0.50
Outstanding, ending balance	**322,500**	**$ 0.50**	405,000	$ 0.50

*Subsequent to year ended at October 31, 2023, 30,000 stock options were forfeited as a result of resignation of a senior officer.

A summary of options outstanding at October 31, 2023 is as follows:

Number of Shares Under Option	**Number of Options Exercisable**	**Weighted Average Exercise Price**	**Weighted Average Remaining Years of Contractual Life**	**Expiry Date**
100,000	100,000	$ 0.50	1.21	January 16, 2025
42,500	42,500	$ 0.50	2.10	December 7, 2025
155,000	155,000	$ 0.50	2.43	April 4, 2026
25,000	25,000	$ 0.50	4.70	July 10, 2028
322,500	322,500	$ 0.50	2.18	

Share-based payment for the year ended October 31, 2023 was $nil (2022 – $nil).

9. RELATED PARTY TRANSACTIONS

Key management personnel are considered to be those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include senior officers and directors of the Company.

Related party transactions to key management personnel are as follows:

Year Ended	**October 31, 2023**	October 31, 2022
Management and administration fees:		
Consulting fees	$ -	$ 50,000
Management fees	24,500	24,000
Geological fees included in Exploration and Evaluation Assets	13,550	6,800
Total key management compensation	**$ 38,050**	**$** 80,800

At October 31, 2023, included in accounts payable and accrued liabilities was $2,625 (2022 – $nil) due to chief financial officer for fees reimbursement; $nil (2022 – 8,412) due to a company controlled by former Chief Executive Office (and current director) for fees and expense reimbursement and $nil (2022 - $4,725) due to a company controlled by the Chief Executive Office for fees and expense reimbursement.

9. RELATED PARTY TRANSACTIONS (continued)

On December 29, 2022, the marketable securities were sold to a close family member of Vic Jang (a director of the Company) for $22,500 (Note 5).

10. FINANCIAL INSTRUMENTS

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

The fair values of the Company's financial instruments, which include cash and accounts payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Financial risk management

The Company has exposure to the numerous risks from its use of financial instruments. These risks include credit risk, liquidity risk, foreign currency risk, interest risk and other risks.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from its operations. The Company limits its exposure to credit risk on cash and cash equivalents by only investing in liquid securities offered by chartered banks. Given the credit rating of the bank and the securities owned, management does not expect significant credit losses on cash and cash equivalents.

The Company's accounts receivable consists primarily of Goods and Services Tax from the Federal Government of Canada and interest from Canadian financial institutions. As these balances are deemed to be highly collectible, no allowance for doubtful accounts was set up at October 31, 2023 and 2022.

At October 31, 2023, all of the Company's operations are conducted in Canada. Management considers the Company's exposure to credit risk is minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as much as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

10. FINANCIAL INSTRUMENTS (continued)

b) Liquidity risk (continued)

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements and the growth and development of its mineral exploration and evaluation assets. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 11. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity financing.

As at October 31, 2023, all of the Company's accounts payable and accrued liabilities of $30,200 (2022 - $60,178) have contractual maturities of 30 to 90 days subject to normal trade terms.

c) Market risk

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

i) *Currency risk* – The Company has nominal funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

11. MANAGEMENT OF CAPITAL

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic and financial market conditions. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may issue shares and adjust its spending to manage current and projected cash levels.

As the Company is in the exploration stage, it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital through preparation of annual expenditure budgets and cash forecasts that are updated as necessary. There were no changes in the Company's approach to capital management during the year ended October 31, 2023.

The Company is not exposed to externally imposed capital requirements.

(Expressed in Canadian Dollars)

12. INCOME TAXES

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

		2023		2022
Loss before income tax	$	(93,389)	$	(152,649)
Expected tax rate		27%		27%
Income tax recovery computed at statutory rates		(26,000)		(41,000)
Adjustments to prior years provision versus statutory tax returns		363,000		-
Unrecognized benefit of deferred income taxes		(337,000)		41,000
Total deferred income tax recovery	$	-	$	-

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at October 31, 2023 and 2022 are presented below:

		2023		2022
Deferred income tax assets (liabilities)				
Exploration and evaluation assets	$	333,000	$	417,000
Non-capital losses carried forward		1,105,000		1,071,000
Capital losses carried forward		100,000		386,000
Share issuance costs		-		1,000
		1,538,000		1,875,000
Unrecognized deferred income tax assets		(1,538,000)		(1,875,000)
Net deferred income tax liabilities	$	-	$	-

As at October 31, 2023, the Company has Canadian non-capital losses of approximately $4,095,000 available for carry-forward to reduce future years' income for income tax purposes. If not used, these losses will expire commencing in 2029.