



# **NorthX Nickel Corp.**

(Formerly Archer Exploration Corp.)

**Condensed Interim Financial Statements**

**For the Three months Ended March 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars)

**NorthX Nickel Corp. (Formerly Archer Exploration Corp.)**  
**Condensed Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2024	December 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		1,180,971	2,876,128
Receivables	6	184,212	234,729
Prepaid expenses	7	69,186	129,349
		<b>1,434,369</b>	3,240,206
Other assets	8,13	539,129	57,500
Exploration and evaluation assets	9	37,940,879	37,205,127
Property and equipment	10	92,811	88,135
<b>Total assets</b>		<b>40,007,188</b>	40,590,968
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables	11	540,390	739,549
Decommissioning and restoration provision	13	517,949	526,310
		<b>1,058,339</b>	1,265,859
Decommissioning and restoration provision	13	2,100,729	2,100,729
<b>Total liabilities</b>		<b>3,159,068</b>	3,366,588
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	38,325,614	38,189,779
Warrants reserve	14	3,388,060	3,389,060
Contributed surplus	14	3,253,786	3,206,065
Deficit		(8,119,340)	(7,560,524)
<b>Total shareholders' equity</b>		<b>36,848,120</b>	37,224,380
<b>Total liabilities and shareholders' equity</b>		<b>40,007,188</b>	40,590,968

Nature of operations and going concern (Note 1)

Subsequent events (Note 19)

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

**NorthX Nickel Corp. (Formerly Archer Exploration Corp.)**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
(Unaudited - Expressed in Canadian dollars)

	Note	2024	Three months ended March 31, 2023
		\$	\$
<b>Operating expenses</b>			
Consulting fees		255	39,909
Depreciation	10	1,581	-
Filing fees		11,221	14,114
General and administrative		28,650	103,080
Management fees	15	192,826	118,766
Marketing		96,575	148,691
Professional fees		91,726	122,088
Rent		-	12,000
Share-based payments	14	53,335	183,329
		<b>476,169</b>	<b>741,977</b>
<b>Other income (expenses)</b>			
Amortization of flow through liability	12	-	649,581
Change in decommissioning and restoration provision	13	-	(116,588)
Gain (loss) on foreign exchange		620	(53)
Interest expense		(2,337)	(18,390)
Interest income		8,070	81,221
<b>Loss before income taxes</b>		<b>(469,816)</b>	<b>(146,206)</b>
<b>Income taxes</b>			
Deferred income tax expense		89,000	-
<b>Net loss and comprehensive loss</b>		<b>(558,816)</b>	<b>(146,206)</b>
<b>Basic and diluted loss per common share</b>		<b>(0.03)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding - Basic and diluted</b>		<b>18,977,904</b>	<b>15,112,053</b>

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

**NorthX Nickel Corp. (Formerly Archer Exploration Corp.)**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Three months ended	
	2024	March 31, 2023
	\$	\$
<b>Operating activities:</b>		
Net loss for the period	<b>(558,816)</b>	(146,206)
Items not affecting cash:		
Depreciation	<b>1,581</b>	-
Share-based payments	<b>53,335</b>	183,329
Amortization of flow through liability	-	(649,581)
Change in decommissioning and restoration costs	-	116,588
Unrealized foreign exchange loss	-	(78)
Interest expense	-	(2,438)
Deferred income tax expense	<b>89,000</b>	-
Changes in non-cash working capital:		
Receivables	<b>50,517</b>	(105,390)
Prepaid expenses	<b>60,163</b>	(401,633)
Trade and other payables	<b>(209,926)</b>	(173,816)
<b>Cash used in operating activities</b>	<b>(514,146)</b>	(1,179,225)
<b>Investing activities:</b>		
Exploration and evaluation costs	<b>(678,721)</b>	(1,207,943)
Asset acquisition costs	-	(77,797)
Cash acquired in the Wallbridge assets acquisition	-	-
Purchase of equipment	<b>(12,300)</b>	-
Decommissioning and restoration costs	<b>(8,361)</b>	(68,471)
Finance Assurance for Decommissioning and restoration	<b>(481,629)</b>	-
<b>Cash used in investing activities</b>	<b>(1,181,011)</b>	(1,354,211)
<b>Financing activities:</b>		
Share issuance costs	-	(1,412)
<b>Cash provided by financing activities</b>	-	(1,412)
Change in cash	<b>(1,695,157)</b>	(2,534,848)
Cash, beginning of period	<b>2,876,128</b>	11,526,348
<b>Cash, end of period</b>	<b>1,180,971</b>	8,991,500
<b>Supplemental cash flow information:</b>		
Cash interest received	<b>(8,070)</b>	(81,221)
Acquisition costs included in trade and other payables	-	(37,672)
Exploration and evaluation costs included in trade and other payables	<b>476,069</b>	715,182

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

**NorthX Nickel Corp. (Formerly Archer Exploration Corp.)**  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
(Unaudited - Expressed in Canadian dollars; except number of shares)

	Common shares	Share capital	Warrants reserve	Contributed surplus	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$
<b>Balance, October 1, 2022</b>	1,851,848	3,186,256	699,457	414,785	(4,222,989)	77,509
Shares issued on exercise of options	1,111	3,000	-	(1,000)	-	2,000
Issuance of common shares in the Transaction	11,035,212	28,564,545	-	-	-	28,564,545
Shares issued as Finders' fees in the Transaction	275,883	714,114	-	-	-	714,114
Issuance of non-flow-through units in private placement	757,575	1,960,958	1,039,042	-	-	3,000,000
Issuance of flow-through units in private placement	707,222	2,212,521	969,980	-	-	3,182,501
Issuance of charity flow-through units in private placement	483,091	3,337,422	662,577	-	-	3,999,999
Flow-through premium liability	-	(2,468,856)	-	-	-	(2,468,856)
Share issuance costs	-	(976,991)	176,100	-	-	(800,891)
Share-based payments	-	-	-	1,054,991	-	1,054,991
Reclassification from reserves to deficit upon the expiration of warrants	-	-	(40,972)	-	40,972	-
Net loss and comprehensive loss for the period	-	-	-	-	(1,756,665)	(1,756,665)
Balance, March 31, 2023	15,111,942	36,532,969	3,506,184	1,468,776	(5,938,682)	35,569,247
Shares issued for other compensatory awards settled	4,166	12,500	-	(12,500)	-	-
Issuance of non-flow-through units in private placement	1,767,066	500,510	347,681	-	-	848,191
Issuance of flow-through units in private placement	2,083,033	702,112	487,726	-	-	1,189,838
Flow-through premium liability	-	215,283	-	-	-	215,283
Share issuance costs net of tax	-	226,405	(294,045)	-	-	(67,640)
Share-based payments	-	-	-	834,709	-	834,709
Share-based payments - exploration-related	-	-	-	215,622	-	215,622
Reclassification from reserves to contributed surplus upon the expiration of warrants	-	-	(658,486)	699,458	(40,972)	-
Net loss and comprehensive loss for the period	-	-	-	-	(1,580,870)	(1,580,870)
Balance, December 31, 2023	18,966,207	38,189,779	3,389,060	3,206,065	(7,560,524)	37,224,380
Shares issued for other compensatory awards settled	15,277	45,835	-	(45,835)	-	-
Share-based payments	-	-	-	93,556	-	93,556
Deferred income tax expense	-	90,000	(1,000)	-	-	89,000
Reclassification from contributed surplus to deficit upon the expiration of stock options	-	-	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(558,816)	(558,816)
<b>Balance, March 31, 2024</b>	<b>18,981,484</b>	<b>38,325,614</b>	<b>3,388,060</b>	<b>3,253,786</b>	<b>(8,119,340)</b>	<b>36,848,120</b>

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

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

On May 1, 2024 the company changed its name to NorthX Nickel Corp. (Formerly Archer Exploration Corp.) ("NorthX" or the "Company"). The Company was incorporated under the laws of the Province of British Columbia on October 26, 2018. The Company is focusing on the exploration of mineral claims located in Québec and Ontario, Canada. The Company's registered and records office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC V7X 1T2. On February 11, 2021, the shares of the Company began trading on the Canadian Securities Exchange (the "Exchange") under the symbol "RCHR". Effective May 1, 2024, coincident with the name change, the Company commenced trading on the Canadian Securities Exchange under the new trading symbol "NIX".

In August 2023, the Company announced the change in its fiscal year end from September 30 to December 31, effective as of December 31, 2023. Accordingly, for the 2024 reporting year, the Company has reported its audited financial statements twelve month period ended December 31, 2024, along with its comparative figures for the fifteen month period ended December 31, 2023.

At December 31, 2023 the Company had one wholly owned subsidiary, 1273600 B.C. Ltd. On January 25, 2024 1273600 B.C. Ltd. was dissolved by way of voluntary dissolution under the Business Corporations Act.

### **a) Going concern**

These unaudited condensed interim financial statements for the three months ended March 31, 2024 and 2023 (the "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. There are material uncertainties that may cast significant doubt about the appropriate use of the going concern assumption as the Company is in the exploration and evaluation stage and has not generated any revenues. As at March 31, 2024, the Company has a deficit of \$8,119,340 (December 31, 2023 - \$7,560,524) and for the three months ended March 31, 2024 and 2023, the Company incurred a net loss of \$558,816 (2023 - \$146,206). The Company's continuing operations as intended are dependent upon the ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. Should the Company fail to commercialize its mineral claims, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### **b) Share consolidation**

On November 8, 2022, the Company completed a consolidation of its common shares on a three to one basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

On May 1, 2024, the Company completed a consolidation of its common shares on a six to one basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices and other equity incentive instruments have been retrospectively adjusted to reflect the effects of the consolidation.

### **c) Wallbridge assets acquisition**

On July 12, 2022, the Company entered into an asset purchase agreement with Wallbridge Mining Company Limited ("Wallbridge") whereby the Company would acquire from Wallbridge a 100% interest in certain mineral properties located in Québec and Ontario (collectively the "Nickel Assets") in exchange for 11,035,212 common shares of the Company (the "Transaction" or "Wallbridge assets acquisition"). The Company granted Wallbridge a 2% net smelter return ("NSR") royalty less the amount of any pre-existing royalties on encumbered portions of the Grasset Project.

As a condition precedent to the closing of the Transaction, the Company was required to complete an equity financing for gross proceeds of at least \$10,000,000. The equity financing closed on November 18, 2022 for gross proceeds of \$10,182,500 (Note 14).

## **2. BASIS OF PREPARATION**

### **a) Statement of compliance**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on May 22, 2024.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These condensed interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited financial statements for the years ended December 31, 2023 and September 30, 2022 (the “Annual Financial Statements”).

These condensed interim financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value, as specified by IFRS. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### **b) Basis of measurement**

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value, as specified by IFRS, as well as information presented in the statements of cash flows. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

### **c) Functional and presentation currency**

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the Canadian dollar. The financial statements are presented in Canadian dollars, except as otherwise noted. References to “USD” are to United States dollars.

### **d) Foreign currency translation**

Foreign currency transactions are translated into Canadian dollars at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the condensed interim statement of financial position. Realized and unrealized exchange gains and losses are recognized in the condensed interim statements of comprehensive loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

In the preparation of these financial statements, the Company used the same accounting policies as in Note 3 to the Annual Financial Statements for the 15 month period ending December 31, 2023.

### 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the 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, revenues and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The significant assumptions and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 4 to the Annual Financial Statements for the fifteen months period ending December 31, 2023.

### 5. WALLBRIDGE ASSETS ACQUISITION

On November 18, 2022, the Company completed its previously announced Transaction.

As consideration for the Nickel Assets, the Company issued to Wallbridge 11,035,212 common shares at approximately \$2.58 per share for an aggregate fair value of \$28,564,545. The Company granted to Wallbridge a 2% NSR royalty on production from the Grasset Project (Note 9).

In connection with the Transaction, the Company entered into a finders' fee agreement with two parties. As compensation for the introduction of the Company and Wallbridge, the Company issued to the finders 275,883 common shares at approximately \$2.58 per share for an aggregate fair value of \$714,114.

The Company incurred \$250,696 in legal fees prior to the closing of the Transaction and the amount is allocated as part of the consideration.

The acquisition has been accounted for as an equity-settled share-based payment transaction within the scope of IFRS 2 *Share-based Payment*. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs that together constitute a business did not exist in the Company or the Nickels Assets at the time of acquisition. Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the Company's consideration paid and the net assets acquired from Wallbridge as at the November 18, 2022 acquisition date is as follows:

	\$
<b>Purchase price:</b>	
Fair value of common shares issued to Wallbridge	28,564,545
Fair value of finders' shares	714,114
Transaction costs	250,696
	<b>29,529,355</b>
<b>Net assets acquired:</b>	
Cash	2,652,997
Account receivable with Magna	612,230
Exploration and evaluation assets (Note 9)	28,538,141
Property and equipment (Note 10)	87,138
Decommissioning and restoration provision (Note 13)	(2,361,151)
	<b>29,529,355</b>



**NorthX Nickel Corp. (Formerly Archer Exploration Corp.)**  
**Notes to the Condensed Interim Financial Statements**  
**For the three months ended March 31, 2024 and 2023**  
(Unaudited - Expressed in Canadian dollars, except where noted)

**6. RECEIVABLES**

A summary of the Company's receivables is as follows:

	<b>March 31, 2024</b>	December 31, 2023
	\$	\$
GST/HST/QST recoverable	<b>184,212</b>	234,729
	<b>184,212</b>	234,729

**7. PREPAID EXPENSES**

A summary of the Company's prepaid expenses is as follows:

	<b>March 31, 2024</b>	December 31, 2023
	\$	\$
Insurance	<b>29,686</b>	41,456
Vendor prepayments	<b>39,500</b>	87,893
	<b>69,186</b>	129,349

**8. OTHER ASSETS**

A summary of the Company's other assets is as follows:

	<b>March 31, 2024</b>	December 31, 2023
	\$	\$
Investments	<b>57,500</b>	57,500
Finance Assurance for Closure Plan	<b>481,629</b>	-
	<b>539,129</b>	57,500

This amount represents guaranteed investment certificates held with the bank as collateral for the Company's credit cards issued to key management personnel. The GIC bears interest at a rate of Prime less 2.9%.

**NorthX Nickel Corp. (Formerly Archer Exploration Corp.)**  
**Notes to the Condensed Interim Financial Statements**  
**For the three months ended March 31, 2024 and 2023**  
(Unaudited - Expressed in Canadian dollars, except where noted)

**9. EXPLORATION AND EVALUATION ASSETS**

A summary of the Company's exploration and evaluation assets is as follows:

	Grasset	Parkin	Sudbury W	Wahnapitae	Wisner	NW Ontario	Ontario Other	Quebec Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, October 1, 2022	-	-	-	-	-	-	-	-	-
Acquisition and Maintenance Costs	27,367,462	979,858	302,412	233,929	116,965	58,482	10,000	-	29,069,108
Assay and Analysis	111,170	-	-	-	-	27,385	-	-	138,555
Camp Costs	860,216	-	-	-	-	122	58,907	-	919,245
Communications	33,735	-	-	-	-	3,260	1,602	-	38,597
Drilling	2,979,344	-	-	-	-	-	-	-	2,979,344
Field and Equipment	157,724	5,063	-	-	-	11,007	14,211	-	188,005
Fuel	76,831	-	-	-	-	78	-	-	76,909
Geological Consulting	480,715	30,045	6,064	3,728	-	107,091	31,232	2,340	661,215
Geophysics	565,647	388,666	-	-	-	-	2,898	-	957,211
Ground Logistics	418,023	-	-	-	-	-	-	-	418,023
Helicopter	449,305	-	-	-	-	-	-	-	449,305
Permit and Environment	3,989	-	-	-	-	-	-	-	3,989
Property Maintenance	32,655	33,887	4,612	10,350	8,948	30,173	48,256	2,674	171,555
Salaries and Wages	748,724	49,791	-	92	-	14,214	-	-	812,821
Share Based Payments	215,622	-	-	-	-	-	-	-	215,622
Travel and Transportation	87,681	281	-	-	-	13,316	4,345	-	105,623
	7,221,381	507,733	10,676	14,170	8,948	206,646	161,451	5,014	8,136,019
<b>Balance, December 31, 2023</b>	<b>34,588,843</b>	<b>1,487,591</b>	<b>313,088</b>	<b>248,099</b>	<b>125,913</b>	<b>265,128</b>	<b>171,451</b>	<b>5,014</b>	<b>37,205,127</b>
Acquisition and Maintenance Costs	-	6,000	10,000	-	-	-	-	-	16,000
Assay and Analysis	20,733	-	-	-	-	-	-	-	20,733
Camp Costs	100,466	-	-	-	-	-	5,850	-	106,316
Communications	615	-	-	-	-	-	-	-	615
Drilling	311,684	-	-	-	-	-	-	-	311,684
Field and Equipment	41,060	-	-	-	-	-	-	-	41,060
Fuel	4,294	-	-	-	-	-	-	-	4,294
Geological Consulting	92,542	9,412	7,227	3,940	2,611	1,543	12,056	8,173	137,504
Geophysics	7,768	-	-	-	-	-	4,160	-	11,928
Government Grants	-	(200,000)	-	-	-	-	-	-	(200,000)
Ground Logistics	1,800	-	-	-	-	-	-	-	1,800
Health and safety	366	-	-	-	-	-	75	-	441
Property Maintenance	4,462	21,086	(241)	284	7,875	1,877	1,411	110	36,864
Salaries and Wages	154,317	-	-	-	-	-	28,500	-	182,817
Share Based Payments	40,221	-	-	-	-	-	-	-	40,221
Travel and Transportation	22,978	-	-	-	-	-	497	-	23,475
	803,306	(169,502)	6,986	4,224	10,486	3,420	52,549	8,283	719,752
<b>Balance, March 31, 2024</b>	<b>35,392,149</b>	<b>1,324,089</b>	<b>330,074</b>	<b>252,323</b>	<b>136,399</b>	<b>268,548</b>	<b>224,000</b>	<b>13,297</b>	<b>37,940,879</b>

**9. EXPLORATION AND EVALUATION ASSETS (continued)**

The Company's primary mineral property is the Grasset Project in Quebec. The Company also holds a portfolio of 41 mineral properties in Ontario, of which 38 are situated in the Sudbury mining district.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee their titles. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

The Company is required to make a \$32,000 per year advance royalty payment in order to maintain certain property agreements in good standing, as outlined below. The Company is also required to make statutory license and property tax expenditures each year to maintain its properties in good standing.

Grasset Project, Québec

The Grasset Project is a resource-exploration stage Ni-Cu-Co-PGM project located in the James Bay territory in Nord-du-Québec administrative region of the province of Québec, Canada, approximately 77 kilometres west-northwest of the city of Matagami and 170 kilometres north of the town of Amos. The Grasset Project consists of 153 claims blocks and an aggregate area of 81.81 km<sup>2</sup> located in the Archean Abitibi Subprovince of the southern Superior Province in the Canadian Shield. The Company owns a 100% interest in the Grasset Project, subject to a 2% net smelter return royalty ("NSR") on production from certain of the acquired assets.

On November 18, 2022 the Company and Wallbridge entered into an exploration cooperation agreement (the "Exploration Cooperation Agreement") whereby Wallbridge was granted the right to explore certain portions of the Grasset Project for gold under certain circumstances. The Exploration Cooperation Agreement applies to approximately 7,515 hectares of the Grasset Project and excludes approximately 665 hectares of coverage over the Grasset Deposit. If the results from either Wallbridge's or NorthX's exploration work on the 7,515 hectares that are subject to the Exploration Cooperation Agreement (the "Gold Cooperation Area") establish a mineral resource that consists of primary gold mineralization, then the parties will form a joint venture in which NorthX will have a 30% interest and Wallbridge will have a 70% interest. If the results from Wallbridge's exploration work in the Gold Cooperation Area establish a mineral resource that consists of primary mineralization other than gold, then the parties will form a joint venture in which NorthX will have a 70% interest and Wallbridge will have a 30% interest. The purpose of any such joint ventures will be to explore, develop and operate such mineral resource. The Exploration Cooperation Agreement has a term of five years and is subject to earlier termination in certain circumstances.

Parkin Project - Sudbury, Ontario

The Parkin Project is comprised of an interest in 4 properties including 60 unpatented mining claims. In addition, the Company holds an interest in 12 mining leases and 5 patented claims. The Parkin Project has a total land area of 25.3 km<sup>2</sup>.

On November 18, 2022, the Company and Wallbridge entered into an Assignment and Assumption Agreement whereby the Company agreed to acquire the rights, title, and interest in several joint venture agreements, including a joint venture and option agreement between Wallbridge and Impala Platinum Holdings Limited ("Impala") dated December 31, 2014, as amended (the "Impala Option Agreement"). Pursuant to the terms of the Impala Option Agreement, the Company has the right to acquire Impala's remaining 49.6% interest in the Parkin Project by making a cash payment of \$1 million to Impala by June 30, 2023.

During the period ended December 31, 2023 the terms of the Impala Option Agreement were amended whereby the Company may acquire Impala's remaining 49.6% interest in the Parkin Project offset joint venture by making payments as follows:

	Option Payment
June 30, 2023	\$500,000 (paid)
December 31, 2024	500,000
	<b>\$1,000,000</b>

The Company is required to make a \$12,000 per year advance royalty payment in order to maintain certain property agreements in good standing.

**9. EXPLORATION AND EVALUATION ASSETS (continued)**

Sudbury West – Sudbury, Ontario

The Sudbury West project is comprised of an interest in 18 properties including 532 unpatented mining claims. In addition, the Company holds an interest in 4 mining leases, 2 patented claims and 1 exploratory licence of occupation. The Sudbury West project covers a total area of 218 km<sup>2</sup>.

The Company is required to make a \$20,000 per year advance royalty payment in order to maintain certain property agreements in good standing.

Wahnapitae – Sudbury, Ontario

The Wahnapitae project is comprised of an interest in 5 properties including 51 unpatented mining claims. In addition, the Company holds an interest in 1 mining lease, 5 patented claims and 3 mining licences of occupation. The Wahnapitae project has a total land area of land area of 22 km<sup>2</sup>.

Wisner – Sudbury, Ontario

The Wisner project is comprised of an interest in 5 properties including 46 unpatented mining claims. In addition, the Company holds an interest in 2 mining lease, and 1 patented claim. The Wisner project has a total land area of land area of 11 km<sup>2</sup>.

Distributed throughout all the Wisner properties are irregular bodies of Sudbury Breccia, which is the main host rock for footwall-style copper, nickel and platinum group metal mineralization.

Northwestern Ontario

The Northwestern Ontario project is comprised of an interest in 3 properties including 747 unpatented mining claims. The Northwestern Ontario project has a total land area of land area of 158 km<sup>2</sup>.

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**10. PROPERTY AND EQUIPMENT**

A summary of the Company's property and equipment is as follows:

	<b>Bridges</b>	<b>Equipment</b>	<b>Computers</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Cost</b>				
Balance, October 1, 2022	-	-	-	-
Acquired through the Transaction (Note 5)	49,266	37,872	-	87,138
Additions	-	-	19,564	19,564
Balance, December 31, 2023	49,266	37,872	19,564	106,702
Additions	-	12,300	-	12,300
<b>Balance, March 31, 2024</b>	<b>49,266</b>	<b>50,172</b>	<b>19,564</b>	<b>119,002</b>
<b>Accumulated depreciation</b>				
Balance, October 1, 2022	-	-	-	-
Additions	2,203	8,466	7,898	18,567
Balance, December 31, 2023	2,203	8,466	7,898	18,567
Additions	491	2,496	4,637	7,624
<b>Balance, March 31, 2024</b>	<b>2,694</b>	<b>10,962</b>	<b>12,535</b>	<b>26,191</b>
<b>Carrying amount</b>				
Balance, October 1, 2022	-	-	-	-
Balance, December 31, 2023	47,063	29,406	11,666	88,135
<b>Balance, March 31, 2024</b>	<b>46,572</b>	<b>39,210</b>	<b>7,029</b>	<b>92,811</b>

During the three months ended March 31, 2024, depreciation of \$6,043 was capitalized to exploration and evaluation assets (2023 - \$2,354).

**11. TRADE AND OTHER PAYABLES**

A summary of the Company's trade and other payables is as follows:

	<b>March 31,</b>	December 31,
	<b>2024</b>	2023
	\$	\$
Trade payables	<b>482,290</b>	663,410
Accrued liabilities	<b>58,100</b>	76,139
	<b>540,390</b>	739,549

All trade payables and accrued liabilities are due within the next 12 months.

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**12. FLOW-THROUGH PREMIUM LIABILITY**

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date. The tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On November 18, 2022, the Company issued 757,576 non-flow-through units ("NFT Units") at a price of \$3.96 per NFT Unit, 707,222 flow-through units ("FT Units") at a price of \$4.50 per FT Unit, and 483,092 charity flow-through units ("Charity FT Units") at a price of \$7.28 per Charity FT Unit for gross proceeds of \$10,182,500 (Note 14(b)).

A summary of the Company's flow-through financing and related flow-through premium liability is as follows:

	Number of units	Unit price	Flow-through premium per unit	Flow-through premium liability
	#	\$	\$	\$
FT Units	707,222	4.50	0.54	381,900
Charity FT Units	483,092	8.28	4.32	2,086,956
	<b>1,190,314</b>			<b>2,468,856</b>

A summary of the Company's flow-through premium liability and remaining eligible expenditure obligation movement is as follows:

	Remaining eligible expenditure obligation	Flow-through premium liability
	\$	\$
Balance, October 1, 2022	-	-
Flow-through units issued	7,182,500	2,468,856
Eligible expenditures incurred	(7,182,500)	(2,253,573)
Share issuance cost - FT shares	-	(215,283)
<b>Balance, December 31, 2023 and March 31, 2024</b>	<b>-</b>	<b>-</b>

Funds raised through the issuance of FT Units and Charity FT Units are expensed fully on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation before December 31, 2023.

To the extent that the Company has deferred tax assets that were not recognized in previous periods, a deferred tax recovery is recorded as an offsetting recovery in profit or loss.

On November 27, 2023, the Company issued 1,767,067 non-flow-through units ("NFT Units") at a price of \$0.48 per NFT Unit, 999,700 flow-through units ("FT Units") at a price of \$0.54 per FT Unit, and 1,083,333 Quebec flow-through units ("QFT Units") at a price of \$0.60 per QFT Unit for gross proceeds of \$2,038,030 (Note 14(b)). There was no related flow-through premium liability.

### 13. DECOMMISSIONING AND RESTORATION PROVISION

A summary of the Company's discounted liabilities for decommissioning and restoration provisions is as follows:

	\$
Balance, October 1, 2022	-
Decommissioning and restoration provision acquired in the Transaction (Note 5)	2,361,151
Change in decommissioning and restoration provision	910,066
Expenditures on Broken Hammer Project	(644,178)
Balance, December 31, 2023	2,627,039
Expenditures on Broken Hammer Project	(8,361)
<b>Balance, March 31, 2024</b>	<b>2,618,678</b>
Current portion	517,949
Non-current portion	2,100,729

As part of the acquisition of the Nickel Assets, the Company acquired the closure liability associated with the Broken Hammer Project closure activities. The Broken Hammer Project has been in a state of inactivity since 2015 and closure plan activities have been ongoing. On February 28, 2024 the Company posted an irrevocable standby letter of credit in the amount of \$481,629 in favour of the Ontario Ministry of Mines.

The key assumptions on which the provision estimates were based as March 31, 2024 are as follows:

- Expected timing of the cash flows is based on the estimated useful life of the mines forming part of the Broken Hammer Project. The majority of the expenditures are expected to occur between 2024 and 2034, which is based on the currently anticipated closure dates of the project; and
- The discount rate used is 3.02%.

The undiscounted amount of estimated cash flows required to settle the decommissioning and restoration costs of the Broken Hammer Project at the end of the project's life was estimated to be \$2,735,137 as at March 31, 2024.

### 14. SHARE CAPITAL

#### a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

#### b) Issued share capital

During the three months ended March 31, 2024, the Company had the following share transactions:

- On January 22, 2024 the Company issued 15,277, common shares pursuant to the settlement of RSU's and reclassified \$45,835 from the Company's contributed surplus to share capital.
- 229,166 DSU's and 13,111 stock options expired unexercised and \$55,383 was moved from the Company's contributed surplus.

During the fifteen months ended December 31, 2023, the Company had the following share transactions:

- On October 7, 2022, the Company issued 1,111 common shares pursuant to the exercise of 1,111 stock options with an exercise price of \$1.80. The Company received gross proceeds of \$2,000 and reclassified \$1,000 from the Company's contributed surplus to share capital.
- On November 18, 2022, in connection with the Transaction, the Company closed a private placement of 757,576 non-flow-through units ("NFT Units") at a price of \$3.96 per NFT Unit, 707,222 flow-through units ("FT Units") at a price of \$4.50 per FT Unit and 483,092 charity flow-through units ("Charity FT Units") at a price of \$8.28 per Charity FT Unit, for gross proceeds of \$10,182,500. Each NFT Unit consists of one common share and one common share purchase warrant. Each FT Unit and Charity FT Unit consists of one flow-through share and one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to

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**14. SHARE CAPITAL (continued)**

acquire one additional common share of the Company at a price of \$6.12 until November 18, 2024, the date which is twenty-four months following the closing date of the Transaction. The Company halted trading of its shares on July 13, 2022 and did not resume trading until November 29, 2022. As a result, the shares of the Company were not being traded in an active market at the time of the acquisition. In connection with the Transaction, the Company completed a private placement where NFT Units were issued at a price of \$3.96. Each unit contains a common share and one common share purchase warrant. As the unit price of \$3.96 presents both a single common share and a single warrant, a valuation technique was applied to estimate the fair value to be \$2.58 and \$1.38 respectively. As a result, \$7,510,902 was allocated to share capital and \$2,671,598 was allocated to warrants reserve. A summary of the Company's assumptions used in the valuation technique were as follows:

Share price	\$2.58
Expected life	2 years
Expected volatility	136.40%
Risk-free rate	3.97%
Dividend yield	0.00%

In connection with the private placement, the Company paid cash finders' fees of \$799,479 and issued 64,172 finders' warrants with a fair value of \$176,100. Each finders' warrant was exercisable into one common share of the Company at an exercise price of \$3.96 per warrant until May 18, 2024, the date which is eighteen months after the closing date of the Transaction. Total fair value of the finders warrants issued was \$176,100 and was recorded as share issuance costs to warrants reserve. A summary of the Company's assumptions used in the Black-Scholes option pricing model for finders' warrants issued on November 18, 2022 is as follows:

Share price	\$2.58
Expected life	1.5 years
Expected volatility	136.40%
Risk-free rate	3.97%
Dividend yield	0.00%

On November 18, 2022, pursuant to the closing of the Transaction, the Company issued 11,035,212 common shares of the Company to Wallbridge at a fair value of \$2.58 per share, for an aggregate value of \$28,564,545 (Note 5). In connection with the Transaction, the Company issued 275,883 common shares to finders at \$2.58 per share for an aggregate value of \$714,114 (Note 5).

On November 27, 2023, the Company closed a non-brokered private placement of 1,767,067 non-flow-through units ("NFT Units") at a price of \$0.48 per NFT Unit, 999,700 flow-through units ("FT Units") at a price of \$0.54 per FT Unit, and 1,083,333 Quebec flow-through units ("QFT Units") at a price of \$0.60 per QFT Unit for gross proceeds of \$2,038,030. Each NFT Unit is comprised of one common share and one non-transferable common share purchase warrant. Each FT Unit and QFT Unit is comprised of one common share that qualifies as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") and one warrant. The warrants comprising each of the NFT Units, FT Units and QFT Units are subject to the same terms, with each warrant entitling the holder thereof to purchase one common share for a period of 36 months from the date of issuance at an exercise price of \$0.96 per Warrant Share.

As the units are comprised of both a single common share and a single warrant, a valuation method was used to determine that fair value of the warrants. As a result, \$1,202,622 was allocated to share capital and \$835,408 was allocated to warrants reserve. A summary of the Company's assumptions used in the Black-Scholes option pricing model for unit warrants issued on November 27, 2023 is as follows:

Share price	\$0.54
Expected life	3 years
Expected volatility	133.66%
Risk-free rate	4.40%
Dividend yield	0.00%



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**14. SHARE CAPITAL (continued)**

In connection with the offering, the Company paid aggregate cash finder's fees in the amount of \$73,705 and issued a total of 20,125 non-transferable finder's warrants with a fair value of \$5,128. Each finder's warrant entitles the holder thereof to purchase one common share at a price of \$0.96 per common share for a period of 18 months from the closing date of the offering. A summary of the Company's assumptions used in the Black-Scholes option pricing model for finders' warrants issued on November 27, 2023 is as follows:

Share price	\$0.54
Expected life	1.5 years
Expected volatility	132.07%
Risk-free rate	4.40%
Dividend yield	0.00%

**c) Warrants**

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, October 1, 2022	405,275	7.98
Issued	5,882,252	2.70
Exercised	(405,275)	7.98
Balance, December 31, 2023	5,882,252	2.70
<b>Balance, March 31, 2024</b>	<b>5,882,252</b>	<b>2.70</b>

A summary of the Company's warrants outstanding as at March 31, 2024 is as follows:

Expiry date	Weighted average exercise price	Number of warrants	Weighted average remaining life
	\$	#	years
May 18, 2024	3.96	64,172	0.13
November 18, 2024	6.12	1,947,863	0.64
May 24, 2025	0.96	20,125	1.15
November 24, 2026	0.96	2,766,759	2.65
November 27, 2026	0.96	1,083,333	2.66
<b>Balance, March 31, 2024</b>	<b>2.70</b>	<b>5,882,252</b>	<b>1.95</b>

**d) Stock options**

On February 24, 2023, the Company's shareholders passed an ordinary resolution approving an omnibus equity incentive compensation plan (the "Omnibus Plan") with an effective date of February 25, 2023 (the "Effective Plan Date"). The Omnibus Plan consists of (i) a "rolling" plan pursuant to which the number of common shares that are issuable pursuant to the exercise of stock options granted under the Omnibus Plan shall not exceed 10% of the issued and outstanding shares of the Company as at the date of any stock option grant; and (ii) a "fixed" plan under which the number of common shares that are issuable pursuant to all equity awards other than stock options granted under the Omnibus Plan, in aggregate is a maximum of 10% of the issued and outstanding common shares of the Company as on the Effective Plan Date.

The exercise price of each stock option is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by the Exchange. Currently, the Exchange requires that the exercise price of stock options must be equal to or greater than the discounted market price (as defined in the policies of the Exchange). The exercise price of stock options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any stock options granted under the Plan at the time of grant subject to the policies of the Exchange.

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**14. SHARE CAPITAL (continued)**

A summary of the Company's stock option activity is as follows:

	Number of stock options	Weighted average exercise price
	#	\$
Balance, October 1, 2022	114,452	7.26
Granted	1,318,317	1.44
Cancelled	(47,232)	2.82
Exercised	(1,111)	1.44
Balance, December 31, 2023	1,384,426	1.85
Cancelled	(13,112)	4.20
<b>Balance, March 31, 2024</b>	<b>1,371,314</b>	<b>1.85</b>

A summary of the Company's stock options outstanding as at March 31, 2024, is as follows:

Expiry date	Weighted average exercise price	Number of outstanding stock options	Number of exercisable stock options	Weighted average remaining life
	\$	#	#	years
June 8, 2026	2.16	8,331	5,000	2.19
October 20, 2026	9.18	75,219	46,333	2.56
December 13, 2027	3.30	365,275	247,222	3.70
March 17, 2028	3.30	29,166	19,445	3.96
March 22, 2028	2.28	16,666	11,111	3.98
June 1, 2028	0.96	38,332	12,778	4.17
July 5, 2028	0.84	4,166	1,389	4.27
December 21, 2028	0.48	834,159	278,055	4.73
<b>Balance, March 31, 2024</b>	<b>1.85</b>	<b>1,371,314</b>	<b>621,333</b>	<b>4.28</b>

A summary of the Company's weighted average assumptions used in the Black-Scholes option pricing model for stock options is as follows:

Fair value granted	\$1.38
Expected life	5 years
Annualized volatility	136.92%
Risk-free rate	2.96%
Dividend yield	0.00%

During the three months ended March 31, 2024, the Company recorded \$53,127 (2023 - \$156,593) of share-based payments expense related to the vesting of stock options net of cancellations.

During the three months ended March 31, 2024, there were no stock options exercised. The weighted average share price on the date of exercise in the prior period was \$4.02 per share.

**e) Restricted share units**

On December 13, 2022, the Company granted 58,333 restricted share units ("RSUs") to certain officers, employees, and consultants of the Company. The fair value of RSUs is based on the closing price of the Company's common shares on the Exchange on the date immediately preceding the grant date. The RSUs will vest in equal one third annual installments commencing on December 13, 2023 and ending on December 13, 2025.

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**14. SHARE CAPITAL (continued)**

On December 21, 2023, the Company granted 506,068 RSUs to certain officers, employees, and consultants of the Company. The fair value of RSUs is based on the closing price of the Company's common shares on the Exchange on the date immediately preceding the grant date. The RSUs will vest in equal one third annual installments commencing on December 21, 2024 and ending on December 21, 2026.

When the Company issues RSUs, it records a share-based payments expense in the year or period, which the RSUs are granted and/or vested.

A summary of the Company's RSU activity is as follows:

	Number of RSUs	Weighted average Grant Date Fair Value
	#	\$
Balance, October 1, 2022	-	-
Granted	564,400	0.74
Settled	(4,166)	3.00
Balance, December 31, 2023	560,234	0.72
Settled	(15,275)	3.00
<b>Balance, March 31, 2024</b>	<b>544,959</b>	<b>0.66</b>

A summary of the Company's outstanding RSUs at March 31, 2024, is as follows:

Vesting date	Number of RSUs	Weighted average Grant Date Fair Value
	#	\$
December 13, 2025 <sup>(1)</sup>	38,891	3.00
December 21, 2026 <sup>(2)</sup>	506,068	0.48
	<b>544,959</b>	<b>0.66</b>

(1) The RSUs vest rateably over a period of three years with the first tranche vesting on December 13, 2023, the second tranche vesting on December 13, 2024, and the final tranche vesting on December 13, 2025. The vesting date listed above represents the end of the three-year term.

(2) The RSUs vest rateably over a period of three years with the first tranche vesting on December 21, 2024, the second tranche vesting on December 21, 2025, and the final tranche vesting on December 13, 2026. The vesting date listed above represents the end of the three-year term.

During the three months ended March 31, 2024, the Company incurred share-based payments of \$40,429 in connection with RSUs vested (2023 - \$26,736).

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**14. SHARE CAPITAL (continued)**

**f) Deferred share units**

On December 13, 2022, the Company granted 183,332 deferred share units (“DSUs”) to certain directors of the Company. The fair value of the DSUs is the closing price of the Company’s common shares on the Exchange on the date immediately preceding the grant date. The DSUs shall vest when the recipient director ceases to be a director of the Company provided that no DSUs will vest within twelve months of the grant date and are otherwise subject to the Omnibus Plan.

On December 21, 2023, the Company granted 635,415 DSUs to certain directors of the Company. The fair value of the DSUs is the closing price of the Company’s common shares on the Exchange on the date immediately preceding the grant date. The DSUs shall vest when the recipient director ceases to be a director of the Company provided that no DSUs will vest within twelve months of the grant date and are otherwise subject to the Omnibus Plan.

A summary of the Company’s DSU activity is as follows:

	Number of DSUs	Weighted average Grant Date Fair Value
	#	\$
Balance, October 1, 2022	-	-
Granted	818,747	1.04
Balance, December 31, 2023	818,747	1.04
Cancelled/Expired	(229,166)	0.48
<b>Balance, March 31, 2024</b>	<b>589,581</b>	<b>1.26</b>

During the three months period ended March 31, 2024, the Company incurred share-based payments of \$nil in connection with the grant of DSUs (2023 - \$nil).

At March 31, 2024 there were 16,666 DSU’s which vested on the resignation of a director which had not yet be issued and are included in the balance at period end.

**15. RELATED PARTY TRANSACTIONS**

Related party personnel are those who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly. Related parties include the Board of Directors, officers, close family members and entities that are controlled by these individuals.

**a) The Company had the following transactions with related party entities:**

	Three months ended March 31, 2024	Three months ended March 31, 2023
	\$	\$
Wallbridge Mining Company <sup>(i)</sup>	94,722	-
Inventa Capital Corp. <sup>(ii)</sup>	-	-
	<b>94,722</b>	<b>-</b>

(i) Effective November 18, 2022, the Company entered into a sub-lease agreement with Wallbridge for a portion of their premises relating to the nickel assets acquired. The sub-lease agreement terminated on August 31, 2023. The Company also entered into a secondment agreement to provide the Company with Wallbridge personnel for work on the nickel assets on an as needed basis. Wallbridge also charges NorthX for the use of Wallbridge accommodations at their Detour-Fenelon Gold Trend site facilities in the Northern Abitibi region of Quebec. At March 31, 2024, the Company had a payable to Wallbridge of \$558 (2023 - \$54,890). Wallbridge and NorthX are also parties to an Investor Rights Agreement and Exploration Agreement.

(ii) Effective July 1, 2021 the Company entered into a management services agreement with Inventa Capital Corporation (“Inventa”), a company controlled by a former director of the Company, for office rent and administrative functions. The agreement was terminated effective October 22, 2023. The Company subsequently entered into an agreement with Inventa purely for certain administrative functions.

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**15. RELATED PARTY TRANSACTIONS (continued)**

These transactions were in the normal course of operations and measured at fair value.

**b) Key management personnel**

The Company's key management personnel are its directors and officers.

A summary of the Company's key management personnel remuneration is as follows:

	<b>Three months ended March 31, 2024</b>	Three months ended March 31, 2023
	\$	\$
Management and consulting fees <sup>(i)</sup>	<b>200,731</b>	118,554
Share-based payments <sup>(ii)</sup>	<b>85,120</b>	120,395
	<b>285,851</b>	238,949

(i) Included in management and consulting fees was \$50,000 (2023 - \$Nil) capitalized as exploration and evaluation assets.

(ii) Share-based compensation expense is the fair value of options, RSUs, DSUs, granted which have been calculated as disclosed in Note 14 and \$19,235 (2023 - \$50,000) was capitalized as exploration and evaluation assets.

As at March 31, 2024, accounts payable and accrued liabilities included \$1,863 (2023 - \$65,952) payable to directors, officers and companies controlled or related to directors and/or officers. Amounts payable to related parties have no specific terms of repayment, are unsecured and do not bear interest.

In connection with the Transaction, the Company issued 137,942 common shares as finders' fees to a director of the Company.

**16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**a) Fair value**

As at March 31, 2024, the financial instruments such as cash, investments, and trade and other payables are classified and measured at amortized cost. The carrying value of cash, investments, and trade and other payables approximate the fair value due to the relatively short-term nature of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company has minimal exposure of credit risk on its cash as the Company's cash is held with major Canadian financial institutions.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. At March 31, 2024, the Company had cash and taxes receivable balances of \$1,365,183 (December 31, 2023 - \$3,110,857) to settle current liabilities of \$1,058,339 (December 31, 2023 - \$1,265,859). The Company also has a remaining flow-through commitment to spend \$294,634 on Canadian Exploration Expenditures by December 31, 2024 which will be fulfilled using existing cash. Liquidity risk for the Company is associated with its trade and other payables.

## **16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

### **d) Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to variable interest rates.

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of cash and trade and other payables) denominated in USD. As at March 31, 2024, the Company does not carry significant cash and trade and other payables balances denominated in USD.

## **17. SEGMENTED INFORMATION**

The Company operates in a single reportable operating segment, being the acquisition, exploration and development of its Canadian exploration and evaluation properties.

## **18. CAPITAL MANAGEMENT**

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern and support its exploration of mineral claims. The Company obtains funding primarily through issuing common stock. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the three months ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

## **19. SUBSEQUENT EVENTS**

Subsequent to March 31, 2024, the following events occurred:

- On May 14, 2024, the Company closed a non-brokered private placement of 9,479,166 non-flow-through units ("NFT Units") at a price of \$0.24 per NFT Unit for gross proceeds of \$2,275,000. Each NFT Unit is comprised of one common share and one transferable common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share for a period of 36 months from the date of issuance at an exercise price of \$0.36 per Warrant Share.
- On May 18, 2024, 64,170 warrants expired unexercised.