BITTERROOT RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2023 and 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Bitterroot Resources Ltd.

Opinion

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

In our opinion, these consolidated 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 IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred losses since inception and as at October 31, 2023 had a working capital deficiency of $340,850 and an accumulated deficit of $30,157,918. As stated in Note 1, these events and conditions 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 consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 8 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $4,761,732 as of October 31, 2023. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Asset are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, 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 Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with ap 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 consolidated financial statements of the current year ended 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 Carmen Newnham.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

February 20, 2024

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	October 31, 2023	October 31, 2022
ASSETS			
Current assets			
Cash		$ 5,845	$ 105,320
Accounts receivable	4	1,733	-
Prepaid expenses		-	3,214
Total current assets		7,578	108,534
Non-current assets			
Investment	5	765,394	-
Reclamation deposits	15	36,589	36,589
Right-of-use asset	6	-	35,362
Exploration and evaluation assets	8	4,761,732	5,233,231
Total non-current assets		5,563,715	5,305,182
TOTAL ASSETS		$ 5,571,293	$ 5,413,716
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 123,942	$ 52,461
Lease liability	6	-	20,961
Due to related party	11	127,654	-
Loans from related party	7	96,832	-
Total current liabilities		348,428	73,422
Non-current liabilities			
Lease liability	6	-	21,990
Total non-current liabilities		-	21,990
Total liabilities		348,428	95,412
SHAREHOLDERS' EQUITY			
Share capital	9	30,437,605	30,236,730
Equity reserves	9	4,943,178	4,877,578
Deficit		(30,157,918)	(29,796,004)
Total shareholders' equity		5,222,865	5,318,304
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 5,571,293	$ 5,413,716

Nature of operations (Note 1)
Subsequent events (Note 15)

"Michael S. Carr"
Michael S. Carr, Director

"George W. Sanders"
George W. Sanders, Director

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

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended October 31,
(Expressed in Canadian Dollars)

	Notes		2023		2022
EXPENSES					
Amortization	6	$	16,913	$	18,395
Foreign exchange			2,075		(61,340)
Gain on termination of lease	6		(5,441)		-
Interest expense	6,7		5,356		9,254
Management fees	11		120,000		120,000
Office and miscellaneous			43,265		25,493
Professional fees	11		88,466		97,091
Share-based payments	9,11		65,600		128,608
Shareholder information			8,079		45,449
Transfer agent and filing fees			17,601		18,310
Write-down of exploration and evaluation assets, net of recoveries	8		-		1,390,561
Loss and comprehensive loss for the year		$	(361,914)	$	(1,791,821)
Basic and diluted loss per share		$	(0.00)	$	(0.02)
Weighted average number of common shares outstanding – basic and diluted			92,347,392		85,178,896

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

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended October 31,
(Expressed in Canadian Dollars)

		2023		2022
Cash flows used in operating activities				
Loss for the year	$	(361,914)	$	(1,791,821)
Items not involving cash:				
Amortization		16,913		18,395
Foreign exchange		1,226		-
Interest expense		5,356		9,254
Share-based payments		65,600		128,608
Write-down of exploration and evaluation assets		-		1,390,561
Gain on termination of lease		(5,441)		-
Changes in non-cash working capital items:				
Prepaid expenses		3,214		-
Receivables		(1,733)		7,385
Accounts payable and accrued liabilities		85,515		13,951
Due to related party		127,654		-
		(63,610)		(223,667)
Cash flows used in investing activities				
Exploration and evaluation asset expenditures		(332,993)		(1,747,608)
Cost recoveries for exploration and evaluation assets		29,564		546,711
Reclamation deposit		-		9,200
		(303,429)		(1,191,697)
Cash flows from financing activities				
Private placements		200,000		808,500
Share issuance costs		(3,625)		(16,321)
Stock options exercised		-		15,000
Warrants exercised		-		700
Loans from related party		143,405		-
Loan repayments to related party		(50,000)		-
Lease payments		(22,216)		(23,581)
		267,564		784,298
Change in cash		(99,475)		(631,066)
Cash, beginning		105,320		736,386
Cash, ending	$	5,845	$	105,320

Supplemental disclosure with respect to cash flows (Note 10).

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

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Equity reserves	Deficit	Total
Balance – October 31, 2021	**80,184,556**	**$ 29,418,271**	**$ 4,746,550**	**$ (28,004,183)**	**$ 6,160,638**
Private placements	8,085,000	808,500	-	-	808,500
Share issuance costs	-	(24,775)	8,454		(16,321)
Shares issued for warrants exercised	14,000	1,004	(304)	-	700
Shares issued for stock options exercised	150,000	20,730	(5,730)	-	15,000
Shares issued for property payments	150,000	13,000	-	-	13,000
Share-based payments	-	-	128,608	-	128,608
Loss for the year	-	-	-	(1,791,821)	(1,791,821)
Balance – October 31, 2022	**88,583,556**	**30,236,730**	**4,877,578**	**(29,796,004)**	**5,318,304**
Private placements	5,000,000	200,000	-	-	200,000
Share issuance costs	-	(3,625)	-	-	(3,625)
Shares issued for property payments	100,000	4,500	-	-	4,500
Share-based payments	-	-	65,600	-	65,600
Loss for the year	-	-	-	(361,914)	(361,914)
Balance – October 31, 2023	**93,683,556**	**$ 30,437,605**	**$ 4,943,178**	**$ (30,157,918)**	**$ 5,222,865**

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

1. NATURE OF OPERATIONS

Bitterroot Resources Ltd. (the “Company” or “Bitterroot”) is in the exploration stage and its principal business activity is the sourcing and exploration of resource properties.

The Company was incorporated on March 13, 1951 under the Laws of British Columbia, Canada. The Company’s head office address is Suite 206-B – 1571 Bellevue Avenue, West Vancouver, BC, V7V 1A6, Canada until September 30, 2023. Subsequent to that date, the mailing address is PO Box 91878, West Vancouver, BC, V7V 4S4, Canada. The Company’s registered office address is Suite 2200 – 700 West Georgia Street, Vancouver, BC, V7Y 1K8, Canada. The Company is listed on the TSX Venture Exchange (“Exchange”) under the symbol “BTT”.

These consolidated financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. The Company had a working capital deficiency of $340,850 at October 31, 2023 (2022 – working capital of $35,112). As of October 31, 2023, the Company had accumulated deficit of $30,157,918.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property. To date, the Company has not earned any revenues. The Company expects to incur further losses in the development of its business. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency, unless otherwise indicated.

2. BASIS OF PREPARATION

Statement of compliance and basis of measurement

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board. The policies applied in these consolidated financial statements are based on IFRS issued and effective as of October 31, 2023.

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

The consolidated financial statements were approved for issuance by the Board of Directors on February 20, 2024.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2. BASIS OF PREPARATION (cont'd)

Use of estimates and judgments (cont'd)

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.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share based payments

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Exploration and evaluation assets

Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

(ii) Critical accounting judgments

There are currently no critical accounting judgements.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries Trans Superior Resources, Inc. and Voyageur Lands Corporation, both of which are holding companies incorporated in Michigan, USA. All significant inter-company balances and transactions have been eliminated upon consolidation.

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exploration and evaluation assets (cont'd)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which 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 interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written down to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded 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 statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

Loss per share

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

Share-based payments

The Company accounts for stock options granted to directors, officers and employees at the fair value of the options granted. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and share-based compensation is accrued and charged to operations, with an offsetting credit to share based payment reserve, over the vesting periods. Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share-based payments (cont'd)

If and when the stock options are exercised, the applicable amounts of equity reserves are transferred to share capital.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are assigned a value based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only 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, it is not recorded.

Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

Decommissioning and restoration provision

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation liabilities is estimated using expected cash flows, based on engineering and environmental reports prepared by third party industry specialists, discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgements and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Decommissioning and restoration provision (cont'd)

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost.

Cost of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the end of the life of mine.

For the year presented, there were no significant decommissioning provisions.

Cash

Cash includes demand deposits and guaranteed investment certificates that on acquisition have a term to maturity of three months or less, or may be redeemed during this period. Face value represents the fair value due to the highly liquid nature of the investment certificates.

Financial instruments

Classification

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

The Company classifies its financial instruments as follows:

Financial assets/ liabilities	**IFRS 9 Classification**
Cash	Amortized cost
Reclamation deposits	Amortized cost
Investment	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost
Due to related party	Amortized cost
Loans from related party	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

<u>Financial assets</u>

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

<u>Financial liabilities</u>

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

(Expressed in Canadian Dollars)

4. RECEIVABLES

The Company's receivables arise from goods and services tax ("GST") receivable due from the Canadian taxation authorities.

	October 31, 2023	October 31, 2022
GST receivable	$ 1,733	$ -

5. INVESTMENT

Perseverance Metals Inc.

The Company's investment in Perseverance Metals Inc. ("Perseverance"), is classified as FVTPL and measured at fair value. The Company acquired 956,742 shares of Perseverance on July 27, 2023 valued at $765,394 pursuant to an option agreement (Note 8).

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company entered a contractual arrangement to lease an office for 4 years starting November 1, 2019. The terms of the lease call for minimum monthly lease payments of $1,867. The Company recorded a right-of use asset of $72,369 based on the corresponding lease obligation as of November 1, 2019.

During the year ended October 31, 2022, the lease agreement was extended by two years. The right-of-use asset and lease obligation were increased by $18,343 to accommodate the extension of the lease period without any impact on deficit. The new terms of the lease call for minimum monthly lease payments of $1,960, starting from October 2021 to September 2022, $2,020 from October 2022 to September 2023 and $2,100 from October 2023 to September 2024. On September 30, 2023, the Company terminated the lease with no penalty. The right-of use asset and corresponding lease liability were derecognized resulting in a gain on termination of lease of $5,441 recognized on the statements of loss and comprehensive loss.

When measuring the present value of lease obligations, the Company uses a discount rate of 10%.

The change in the right-of-use asset during the year ended October 31, 2023 was as follows:

	Right of Use
Balance – October 31, 2021	$ 35,414
Additions	18,343
Amortization	(18,395)
Balance – October 31, 2022	35,362
Amortization	(16,913)
Derecognition of right-of-use asset	(18,449)
Balance – October 31, 2023	$ -

(Expressed in Canadian Dollars)

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY (cont'd)

The change in the lease liability during the year ended October 31, 2023 was as follows:

		Lease Liability
Balance – October 31, 2021	$	38,935
Additions		18,343
Lease payments made		(23,581)
Interest expense		9,254
Balance – October 31, 2022		42,951
Lease payments made		(22,216)
Interest expense		3,155
		23,890
Derecognition of lease liability		(23,890)
Balance – October 31, 2023	$	-

7. LOANS PAYABLE TO RELATED PARTY

During the year ended October 31, 2023, the Company received loan proceeds of $50,000 (2022 - $nil) from a non-arm's length party, which was repaid in full during the year (2022 - $nil). This amount was non-interest bearing with no stated terms of payment.

During the year ended October 31, 2023, the Company received loan proceeds of $33,405 (US$25,000) (2022 - $nil) from a non-arm's length party. This amount is interest bearing at 6% per annum with no stated terms of payment. During the year ended October 31, 2023, the Company accrued interest expense of $1,108 (2022 - $nil) and recorded a foreign exchange loss of $1,226 (2022 - $nil).

During the year ended October 31, 2023, the Company received loan proceeds of $60,000 (2022 - $nil) from a non-arm's length party. This amount is interest bearing at 6% per annum with no stated terms of payment. During the year ended October 31, 2023, the Company accrued interest expense of $1,093 (2022 - $nil).

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

	Michigan Lands, Michigan, USA	Coyote Sinter, Nevada, USA	Castle West, Nevada, USA	Nighthawk, Nevada, USA	Total
Balance – October 31, 2021	$ 5,127,267	$ 233,708	$ 120,444	$ -	$ 5,481,419
Acquisition costs – cash	25,880	71,535	69,608	-	167,023
Acquisition costs – shares	9,500	3,500	-	-	13,000
Claims, leases and permits	8,886	28,132	7,065	-	44,083
Consulting and professional	48,629	69,982	1,433	-	120,044
Courier and postage	-	158	65	-	223
Drilling	536,035	745,440	-	-	1,281,475
Field supplies	340	5,872	89	-	6,301
Fuel	-	213	98	-	311
Geochemistry	6,139	-	-	-	6,139
Geophysics	1,170	700	-	-	1,870
Ground transportation	4,032	9,298	586	-	13,916
Other	3,056	1,374	-	-	4,430
Room and board	3,936	15,920	1,463	-	21,319
Travel and freight	5,072	2,798	1,080	-	8,950
Expenditures during the year	652,675	954,922	81,487	-	1,689,084
Write-off of resource properties	-	(1,188,630)	(201,931)	-	(1,390,561)
Recovery of costs	(546,711)	-	-	-	(546,711)
Balance – October 31, 2022	5,233,231	-	-	-	5,233,231
Acquisition costs – cash	9,279	-	-	-	9,279
Acquisition costs – shares	4,500	-	-	-	4,500
Claims, leases and permits	43,296	-	-	117,677	160,973
Consulting and professional	2,310	-	-	25,432	27,742
Drilling	(2,180)	-	-	-	(2,180)
Field supplies	130	-	-	45	175
Fuel	-	-	-	355	355
Geochemistry	-	-	-	15,884	15,884
Geophysics	390	-	-	65,020	65,410
Ground transportation	131	-	-	2,149	2,280
Legal	4,732	-	-	-	4,732
Other	1,018	-	-	304	1,322
Room and board	-	-	-	3,991	3,991
Storage	24,455	-	-	-	24,455
Travel and freight	71	-	-	4,470	4,541
Expenditures during the year	88,132	-	-	235,327	323,459
Recovery of costs	(794,958)	-	-	-	(794,958)
Balance – October 31, 2023	$ 4,526,405	$ -	$ -	$ 235,327	$ 4,761,732

8. **EXPLORATION AND EVALUATION ASSETS** (cont'd)

Title to exploration and evaluation assets involves certain inherent risks due to difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge, title to its exploration and evaluation assets are in good standing.

Michigan Lands, Michigan, U.S.A.

During the year ended October 31, 2015, a subsidiary of Altius Minerals Corporation acquired a 50.1% interest in the Company's Michigan Lands by funding $600,000 of exploration expenditures. Altius had the right to acquire an additional 19.9% of the properties by completing $2,500,000 in exploration spending by September 29, 2021, plus the right to acquire an additional 10% of the properties by completing exploration spending of a further $5,000,000 or completing an NI 43-101 compliant pre-feasibility study on a mineral resource on the properties, before September 29, 2025. Altius failed to complete the additional expenditures required prior to September 29, 2021 and both options have expired. The Company (49.9%) and Altius (50.1%) jointly contribute to the property based on their ownership interest. The Company also granted to Altius a 2% net smelter returns royalty ("NSR") on the Voyageur Lands (covering approximately 250 square miles of mineral rights) and assigned to Altius its right to repurchase a 1% NSR held by a third party on the Copper Range Lands by paying $1,000,000 U.S. to the third party before December 31, 2048.

Mineral Rights Leased from the State of Michigan

During the year ended October 31, 2016, the Company (49.9%) and Altius (50.1%) acquired State of Michigan metallic minerals leases covering 3,051 acres. A cash bond of US$30,000 was posted by a subsidiary of Altius. In the year ended October 31, 2023, the cash bond was refunded to Altius and replaced by an equivalent cash bond posted by Perseverance, under the terms of an option agreement.

LM Property

The Company's Michigan subsidiary, Trans Superior Resources, Inc., leases 40 acres of minerals rights in Baraga County, Michigan, known as the LM Property. The lessors have granted the Company the option to reduce the current 3% NSR to a 2% NSR by paying US$1,000,000 prior to December 31, 2064. The 2023 advance royalty payment was US$180/acre (paid). The advance royalty payments increase by $10/acre/year. The LM Property is not subject to the joint venture with Altius.

During the year ended October 31, 2020, the Company, through its US subsidiary Trans Superior Resources, Inc., entered into an option/joint venture agreement whereby Below Exploration, Inc., ("Below") a private Michigan corporation, could earn a 49% joint venture interest in the Company's 100%-leased LM nickel-copper-platinum-palladium property in Baraga County, Michigan. During the year ended October 31, 2020, Below funded $370,061 (US$285,000) of exploration expenditures prior to the first anniversary of the agreement and earned a 49% joint venture interest. The Company is the project operator, regardless of its ownership level, and retains a right of first refusal over Below's property interest. Following vesting of its 49% interest, Below had a 90-day option to convert its interest in the project into the Company's shares. Below did not exercise the share conversion option and the joint venture is continuing.

In February 2021, the Company entered into a minerals lease and purchase option with a privately-held corporation ("MPC") covering 80 acres of mineral rights adjacent to the LM Property. MPC leases the mineral rights exclusively to the Company for a term of forty years. Under the term of the agreement the Company is required to make the following payments and share issuances:

(i) US$15,000 (paid) and issuance of 100,000 common shares within 10 days of the TSX-V approval date, February 25, 2021 (the "Approval Date") (issued);

(ii) US$15,000 (paid) and issuance of 100,000 (issued at a fair value of $9,500) common shares on the first anniversary of the Approval Date;

(iii) US$16,000 (paid) and issuance of 100,000 (issued at a fair value of $4,500) common shares on the second anniversary of the Approval Date;

(iv) an amount equal to the rental payment of the preceding year, plus an additional US$20 per acre of the mineral rights, on or before each anniversary of the Approval Date commencing on the third anniversary and continuing so long as the agreement is in effect.

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

At any time while the agreement remains in effect, the Company has the exclusive right and option to purchase the mineral rights from MPC for US$1,000/acre for the first five years of the agreement, US$2,500/acre in years 6 through 10, and then escalating US$2,500/acre for each subsequent five years for the first 20 years. MPC will retain a 2% net smelter royalty ("NSR") for products from the mineral rights generated from underground mining and a 3% NSR for products from the mineral rights generated from open-pit mining. The Company will have the option to purchase 1% of each of the NSRs from US$1,000,000 and a further option to purchase an additional 1% of the NSR from open-pit mining for an additional US$1,000,000.

During the year ended October 31, 2023, the Company and Altius Minerals Corp. entered into an option agreement with Perseverance, whereby Perseverance can acquire a 100% interest in the Voyageur nickel-copper-PGM (platinum group metals) project.

The option agreement gives Perseverance the exclusive option until December 31, 2025, to earn a 100% interest in the Voyageur project from Altius Resources Michigan Inc., a wholly owned subsidiary of Altius Minerals, and from Trans Superior Resources, Inc. and Voyageur Lands Corporation, each a wholly owned subsidiary of the Company by:

- Initial equity: issuing to the Company and Altius a total of 20% ownership in the equity of Perseverance, to be distributed based on their pro rata ownership of the Voyageur project (956,742 shares received by the Company at a value of $765,394);
- Exploration commitment: incurring $2,000,000 in exploration expenditures on the Voyageur project before December 31, 2025, including $250,000 within the first 12 months of the option;
- Financing commitment: raising aggregate gross proceeds of $5,000,000 within 18 months, with the Company and Altius retaining a combined 20% free-carry interest on any common shares issued pursuant to the equity financings;
- Go-public commitment: Perseverance becoming a reporting issuer in Canada within 18 months, subject to a conditional six-month extension.
- The Company and Altius also retain Participation Rights in any future financings after Perseverance raises aggregate gross proceeds of $5,000,000, whereby the Company and Altius can maintain their pro-rata interests or increase them to a maximum of 14.9% each, subject to retaining ownership of at least 5% of Perseverance.
- The Company and Altius also retain a Right of First Refusal on any royalties or metals streams generated within 10 years of the date of the exercise of the option agreement.

Nighthawk Property, Nevada, U.S.A.

During the year ended October 31, 2023, the Company staked federal unpatented mining claims and subsequently renewed 66 of these claims, comprising the Nighthawk Property in Esmeralda County, Nevada.

Coyote Sinter Property, Nevada, U.S.A.

During the year ended October 31, 2020, the Company, through its US subsidiary Trans Superior Resources, Inc., entered into a mining lease, with an option to purchase, on the 13-claim Coyote Sinter gold/silver project in Elko County, Nevada. During the year ended October 31, 2022, the project was drilled, reclaimed and abandoned. The Company wrote down exploration and evaluation costs of $1,188,630 related to the property.

Castle West Property, Nevada, U.S.A.

During the year ended October 31, 2019, the Company, through its US subsidiary Trans Superior Resources, Inc., entered into an option agreement with Ely Gold Royalties Inc. and its subsidiary Nevada Select Royalty Inc. ("Ely Gold"), to purchase a 100% interest in the Castle West gold/silver property in Esmeralda County, Nevada. During the year ended October 31, 2022, the Company conducted geologic mapping and rock sampling. The results obtained did not justify the required annual payments and the option agreements were terminated. During the year ended October 31, 2022, the Company wrote down exploration and evaluation costs of $201,931 related to the property.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND EQUITY RESERVES

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

As at October 31, 2023, the Company had 93,683,556 shares issued and outstanding.

During the year ended October 31, 2023, the Company:

(i) closed a private placement in two tranches for a total of 5,000,000 units at $0.04 per unit for gross proceeds of $200,000. Each unit consists of one common share and one-half share purchase warrant, exercisable at $0.08 for two years from the date of issuance. The Company paid $3,625 in cash share issuance costs in relation to the private placement.

(ii) issued 100,000 shares for property option payments with fair value of $4,500.

During the year ended October 31, 2022, the Company:

(i) closed a private placement of 8,085,000 units priced at $0.10 per unit for gross proceeds of $808,500. Each unit consists of one common share and one-half share purchase warrant, exercisable at $0.20 for two years from the date of issuance. Finder's fees paid in conjunction with the private placement consisted of $16,321 cash and the issuance of 119,000 finders' warrants at a fair value of $8,454;

(ii) issued 14,000 shares for brokers' warrants exercised for total proceeds of $700;

(iii) issued 150,000 shares for stock options exercised for total proceeds of $15,000; and

(iv) issued 150,000 shares for property option payments with fair value of $13,000.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – October 31, 2021	14,585,100	$ 0.15
Issued	4,161,500	0.20
Exercised	(14,000)	0.05
Balance – October 31, 2022	18,732,600	$ 0.16
Issued	2,500,000	0.08
Expired	(14,571,100)	0.15
Balance – October 31, 2023	6,661,500	$ 0.15

As at October 31, 2023, the following share purchase warrants were issued and outstanding:

Expiry Date	Number of Warrants	Exercise Price
March 29, 2024	4,161,500	0.20
January 27, 2025	1,750,000	0.08
February 21, 2025	750,000	0.08
	6,661,500	$ 0.15

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

The weighted average fair value of each finders' warrant issued during the year ended October 31, 2023 was $nil (year ended October 31, 2022 - $0.19), calculated using the Black-Scholes option-pricing model on the issue date using the following weighted average assumptions:

	Year ended October 31, 2023	Year ended October 31, 2022
Volatility	-	154.83%
Risk-free interest rate	-	2.34%
Expected life	-	2 years

Stock options

The Company, in accordance with the policies of the Exchange, has a stock option plan in place under which it is authorized to grant options to directors, employees, and consultants, to acquire up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Pursuant to the stock option plan, vesting restrictions may be applied to certain other options grants, at the discretion of the directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance – October 31, 2021	6,170,000	$ 0.15
Expired	(670,000)	0.32
Exercised	(150,000)	0.10
Granted	1,250,000	0.10
Balance – October 31, 2022	6,600,000	0.12
Expired	(900,000)	0.08
Granted	1,800,000	0.05
Balance – October 31, 2023	**7,500,000**	**$ 0.11**

As at October 31, 2023, the following stock options were outstanding and exercisable:

Number of Options	Exercise Price ($)	Expiry Date
1,100,000	0.05	May 19, 2025
2,000,000	0.16	January 4, 2026
1,350,000	0.17	June 1, 2026
1,250,000	0.10	April 21, 2027
1,800,000	0.05	March 5, 2028
7,500,000		

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

The weighted average fair value of each stock option granted during the year was $0.04 (2022 - $0.10), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Year ended October 31, 2023	Year ended October 31, 2022
Volatility	152.88%	160.52%
Risk-free interest rate	3.58%	2.74%
Expected life	5 years	5 years

Share based payments

Total share-based payments recognized for stock options granted during the year ended October 31, 2023 was $65,600 (2022 - $128,608).

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended October 31, 2023 included:

(a) Included in exploration and evaluation assets is $9,058 which relates to accounts payable and accrued liabilities.

(b) Issued 100,000 shares for a property option payment, recorded at a fair value of $4,500.

Significant non-cash transactions during the year ended October 31, 2022 included:

(a) Included in exploration and evaluation assets is $23,092 which relates to accounts payable and accrued liabilities.

(b) Transferred $304 to share capital from reserves for 14,000 brokers' warrants exercised.

(c) Transferred $5,730 to share capital from reserves for 150,000 stock options exercised.

(d) Issued 119,000 brokers' warrants with a fair value of $8,454.

(e) Issued 150,000 shares for a property option payment, recorded at a fair value of $13,000.

11. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The following is a summary of related party transactions and balances during the year ended October 31, 2023, not disclosed elsewhere in the consolidated financial statements:

(a) Management fees of $120,000 (2022 - $120,000) and professional fees of $2,300 (2022 - $4,563) were incurred from a company controlled by a director of the Company. As at October 31, 2023, $127,654 (2022 - $nil) was owing to this company for management fees, professional fees and reimbursable expenses. This amount is non-interest bearing with no stated terms of payment.

(b) Share based compensation include stock options granted to directors and officers recorded at a fair value of $51,020 (2022 - $92,598).

(c) During the year ended October 31, 2023, the Company received loans from non-arm's length parties described in Note 7.

12. SEGMENTED INFORMATION

Industry information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of exploration and evaluation assets.

Geographic information

The Company operates in both Canada and the United States. The Company's reclamation deposits are in the United States and the exploration and evaluation assets are also located in the United States.

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses and private placements or return capital to shareholders. As at October 31, 2023, the Company is not subject to externally imposed capital requirements.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

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 is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts and redeemable guaranteed investment certificates held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, receivables and reclamation deposits. The Company limits exposure to credit risk by maintaining its cash and reclamation deposits with high-credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The receivables balance consists mainly of GST recoverable. There is ongoing review to evaluate the credit worthiness of these counterparties. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, receivables and reclamation deposits.

Currency risk

The Company's operations are in Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in a foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A strengthening (weakening) of the Canadian dollar against the US dollar of 10% would not have a significant effect on net loss.

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (cont'd…)

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. The Company does not have any variable interest-bearing debt.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Fair value

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The estimated fair value of cash, reclamation deposits, accounts payable and accrued liabilities, due to related party and loans from related party are equal to their carrying values due to the short-term nature of these instruments. The fair value of lease liability is initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates. The fair value of the investment is measured based on level 3 inputs of the fair value hierarchy. The investment is in a privately held company that is not quoted on an exchange. The Company utilized the most recent financing price of the underlying investment company to value the shares received.

14. INCOME TAXES

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

		2023		**2022**
Loss for the year	$	(361,914)	$	(1,791,821)
Expected income tax (recovery)	$	(98,000)	$	(484,000)
Change in statutory, foreign tax, foreign exchange rates and other		3,000		(2,000)
Permanent difference		18,000		35,000
Share issuance costs		(1,000)		(4,000)
Adjustment to prior years provision versus statutory tax returns		(1,000)		375,000
Change in unrecognized deductible temporary differences		78,000		80,000
Total income tax expense (recovery)	$	-	$	-

(Expressed in Canadian Dollars)

14. INCOME TAXES (cont'd…)

The significant components of the Company's unrecognized deferred tax assets and liabilities are as follows:

		2023		**2022**
Deferred tax assets (liabilities)				
Exploration and evaluation assets	$	458,000	$	460,000
Allowable capital losses		33,000		33,000
Share issuance costs		9,000		13,000
Property and equipment		2,000		3,000
Non-capital losses available for future period		2,136,000		2,051,000
Potential deferred tax assets		2,638,000		2,560,000
Unrecognized deferred tax assets		(2,638,000)		(2,560,000)
Net deferred tax assets	$	-	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2023			**2022**	**Expiry Date Range**
Temporary Differences						
Exploration and evaluation assets	$	1,649,000	No expiry date	$	1,656,000	No expiry date
Investment tax credit		18,000	2032 to 2033		18,000	2032 to 2033
Property and equipment		8,000	No expiry date		10,000	No expiry date
Share issue costs		35,000	2042 to 2047		48,000	2042 to 2046
Allowable capital losses		123,000	No expiry date		123,000	No expiry date
Non-capital losses available for future periods		7,912,000	2028 to 2043		7,597,000	2028 to 2042

Tax attributes are subject to review, and potential adjustment, by tax authorities.

15. SUBSEQUENT EVENTS

1) The Company's Michigan subsidiary, Trans Superior Resources, Inc., recovered $34,678 (US$25,000) of its Nevada statewide reclamation bond from the U.S. Department of the Interior Bureau of Land Management.

2) The Company received loan proceeds of $70,000 from a non-arm's length party, bearing interest of 6% per annum. The loans, including the two previous loans described in Note 7, have been secured under an agreement whereby the Company's shares of Perseverance have been pledged as security for the repayment of the debts.