Tincorp Metals Inc.

TSXV: TIN
OTCQX: TINFF

(Formerly Whitehorse Gold Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

Independent Auditor’s Report

To the Shareholders and the Board of Directors of
Tincorp Metals Inc.

Opinion

We have audited the consolidated financial statements of Tincorp Metals Inc. (formerly Whitehorse Gold Corp.) (the “Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of loss, comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty related to Going Concern

We draw attention to Note 2(b) in the financial statements, which indicates that the Company incurred a net loss of $2,153,740 during the year ended December 31, 2022 and used cash of $1,472,571 in operating activities. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), 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.

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.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. This matter was 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 this matter.

Asset acquisitions – Refer to Note 2(e) and 3 to the financial statements

Key Audit Matter Description

During the year, the Company entered into two distinct transactions to acquire tin-zinc-silver-lead polymetallic mineral projects in Bolivia. In both transactions, the Company was given a right to forfeit the unpaid consideration at any time prior to the completion of the scheduled payments. These transactions were accounted for as asset acquisitions.

While management is required to make several judgments and assumptions relating to the asset acquisitions, the judgment with the highest degree of subjectivity relates to the appropriate accounting treatment of the acquisitions. Auditing this judgment required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of accounting specialists.

How the Key Audit Matter Was Addressed in the Audit

With the assistance of accounting specialists, our audit procedures to evaluate the appropriateness of the accounting treatment of the acquisitions included the following, among others:

- Obtaining and reviewing the executed contracts to determine whether all key facts and circumstances were incorporated into management's assessment; and

- Analyzing relevant accounting standards, including various aspects of IFRS, conceptual framework and guidance.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 30, 2023

Tincorp Metals Inc.

(Formerly Whitehorse Gold Corp.)

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	As at December 31, 2022	As at December 31, 2021
ASSETS			
Current Assets			
Cash		**$ 2,061,188**	$ 5,149,913
Other receivables	4	**151,881**	72,602
Deposits and prepayments	5	**136,385**	68,793
		2,349,454	5,291,308
Non-current Assets			
Reclamation deposit		**15,075**	15,075
Deposits and prepayments	5	**27,182**	57,182
Property and equipment	7	**663,378**	777,564
Mineral property interests	8	**26,867,985**	22,186,694
TOTAL ASSETS		**$ 29,923,074**	$ 28,327,823
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 785,733**	$ 861,301
Payables due to related party	12	**32,232**	24,475
Current portion of lease obligations	9	**-**	26,468
		817,965	912,244
Non-current Liabilities			
Lease obligations	9	**-**	13,234
Total Liabilities		**817,965**	925,478
EQUITY			
Share capital	11	**24,552,482**	20,879,163
Reserves	11	**838,273**	700,190
Accumulated other comprehensive income		**45,102**	-
Retained earnings		**3,669,252**	5,822,992
Total Equity		**29,105,109**	27,402,345
TOTAL LIABILITIES AND EQUITY		**$ 29,923,074**	$ 28,327,823

Approved on behalf of the Board:

(Signed) Gordon Neal

Director

(Signed) Lorne Waldman

Director

See accompanying notes to the consolidated financial statements

Tincorp Metals Inc.

(Formerly Whitehorse Gold Corp.)

Consolidated Statements of Loss

(Expressed in Canadian dollars except numbers for share)

	Notes	Year ended December 31, 2022	2021
Operating expenses			
Salaries and benefits		**$ 545,319**	$ 1,112,949
Project investigation and evaluation		**100,267**	-
Investor relations		**166,356**	364,656
Filing and continuous listing		**96,292**	122,587
Professional fees		**241,432**	241,799
Office and administration		**262,977**	251,791
Depreciation		**21,758**	17,116
Share-based compensation	11	**370,923**	409,816
		1,805,324	2,520,714
Other expenses (income)			
Write off of loan receivable	6	**342,675**	-
Interest expense	9	**3,789**	4,217
Foreign exchange (gain) loss		**(26,399)**	13,987
Loss on early termination of leases	7	**28,351**	-
Amortization of flow-through share premium	10	**-**	(364,603)
		348,416	(346,399)
Net loss for the year		**$ 2,153,740**	$ 2,174,315
Loss per common share attributable to equity holders of the Company			
Basic and diluted loss per share		**$ 0.04**	$ 0.04
Weighted average number of common shares - basic and diluted		**53,708,704**	49,034,834

See accompanying notes to the consolidated financial statements

Tincorp. Metals Inc.

(Formerly Whitehorse Gold Corp.)

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Year ended December 31, 2022	2021
Net loss		**$ 2,153,740**	$ 2,174,315
Other comprehensive income, net of taxes:			
Items that may subsequently be reclassified to net income or loss:			
Currency translation adjustment, net of tax of $nil		**(45,102)**	-
Other comprehensive income, net of taxes:		**(45,102)**	-
Total comprehensive loss		**$ 2,108,638**	$ 2,174,315

See accompanying notes to the consolidated financial statements

Tincorp Metals Inc.

(Formerly Whitehorse Gold Corp.)

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Year ended December 31, 2022	2021
Cash used in			
Operating activities			
Net loss for the year		**$ (2,153,740)**	$ (2,174,315)
Interest expense	9	**3,789**	4,217
Depreciation	7	**21,758**	17,116
Write off of loan receivable	6	**342,675**	-
Share based compensation	11	**370,923**	409,816
Foreign exchange (gain) loss		**(26,399)**	13,987
Loss on early termination of leases	7	**28,351**	-
Changes in non-cash operating working capital			
Other receivables		**40,721**	(28,991)
Deposits and prepayments		**(67,592)**	(49,210)
Accounts payable and accrued liabilities		**(40,814)**	96,291
Payables due to related party		**7,757**	(4,211)
Net cash used in operating activities		**(1,472,571)**	(1,715,300)
Investing activities			
Mineral property interests			
Capital expenditures		**(1,997,852)**	(8,288,095)
Acquisitions	3	**(2,505,050)**	-
Property and equipment			
Additions		**(161,892)**	(1,004,558)
Disposal		**12,620**	2,001
Advancement of loan receivable	6	**(314,700)**	-
Net cash used in investing activities		**(4,966,874)**	(9,290,652)
Financing activities			
Funds raised from private placement, net of share issuance costs		**3,028,490**	14,564,459
Exercise of options		**336,525**	28,876
Lease obligations			
Repayments of principal	9	**(12,132)**	(11,771)
Payment of interest	9	**(3,789)**	(4,217)
Net cash provided by financing activities		**3,349,094**	14,577,347
Effect of exchange rate changes on cash		**1,626**	(13,987)
(Decrease) increase in cash		**(3,088,725)**	3,557,408
Cash, beginning of the year		**5,149,913**	1,592,505
Cash, end of the year		**$ 2,061,188**	$ 5,149,913

See accompanying notes to the consolidated financial statements

Tincorp Metals Inc.

(Formerly Whitehorse Gold Corp.)

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars except numbers for share)

		Share capital			Reserves					
	Notes	Number of shares	Amount		Share-based compensation		Warrant		Accumulated other comprehensive income	Retained earning	Total equity
Balance, January 1, 2021		42,656,597	$ 6,797,010	$	56,988	$	-	$	-	7,997,307	14,851,305
Share-based compensation		-	-		496,623		-		-	-	496,623
Options exercised		91,667	47,320		(18,444)		-		-	-	28,876
Share issuance in 2021 Private Placement, net of share issue costs and flow-through share premium liability		9,933,325	14,034,833		-		165,023		-	-	14,199,856
Net loss and comprehensive loss		-	-		-		-		-	(2,174,315)	(2,174,315)
Balance, December 31, 2021		**52,681,589**	**$20,879,163**	**$**	**535,167**	**$**	**165,023**	**$**	**-**	**5,822,992**	**27,402,345**
Share-based compensation	11	-	-		326,387		-		-	-	326,387
Options exercised	11	1,068,334	524,829		(188,304)		-		-	-	336,525
Share issuance in 2022 Private Placement, net of share issue costs		7,922,500	3,148,490								3,148,490
Net loss and comprehensive loss		-	-		-		-		45,102	(2,153,740)	(2,108,638)
Balance, December 31, 2022		**61,672,423**	**$24,552,482**	**$**	**673,250**	**$**	**165,023**	**$**	**45,102**	**3,669,252**	**29,105,109**

See accompanying notes to the consolidated financial statements

1. CORPORATE INFORMATION

Tincorp Metals Inc. (the “Company” or “Tincorp”), formerly Whitehorse Gold Corp., is a mineral exploration and development company focusing on tin projects in Bolivia and a gold project near Whitehorse, Yukon, Canada.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on November 27, 2019 under the name of “Whitehorse Gold Corp”. Effective February 22, 2023, the Company changed its name to Tincorp Metals Inc. The head office, registered address and records office of the Company are located at 1066 Hastings Street, Suite 1750, Vancouver, British Columbia, Canada, V6E 3X1.

The Company’s common shares (each, a "Share" or a "Common Share") were listed on the TSX Venture Exchange (the “TSXV”) under the symbol “WHG” and on the OTCQX Market under the symbol “WHGDF”. Starting from February 27, 2023, the Company's Common Shares commenced trading under the new symbol “TIN” on the TSXV and under “TINFF” on the OTCQX Market.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The policies applied in these consolidated financial statements are based on IFRS in effect as of December 31, 2022. These consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(b) Going Concern Basis

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. During the year ended December 31, 2022, the Company incurred a loss of $2,153,740 (year ended December 31, 2021 - $2,174,315), and used cash of $1,472,571 in operating activities (year ended December 31, 2021 - $1,715,300). Operating losses in relation to exploration activities are expected to continue for the foreseeable future. The Company’s ability to continue operations in the normal course of business is dependent on several factors, including the exploration of its mineral property, as well as the ability to secure additional financing through the issuance of additional equity or debt. However, there is no certainty that the Company will be able to raise sufficient funds to conduct further exploration and development of its mineral property. The above conditions, along with other factors, indicate the existence of material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern.

The consolidated financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors (the “Board”) dated on March 30, 2023.

(c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly or partially owned subsidiaries.

Subsidiaries are consolidated from the date on which the Company obtains control up to the date of the disposition of control. Control is achieved when the Company has power over the subsidiary, is exposed or has rights to variable returns from its involvement with the subsidiary; and has the ability to use its power to affect its returns.

For non-wholly owned subsidiaries over which the Company has control, the net assets attributable to outside equity shareholders are presented as "non-controlling interests" in the equity section of the consolidated statements of financial position. Net income for the period that is attributable to the non-controlling interests is calculated based on the ownership of the non-controlling interest shareholders in the subsidiary. Adjustments to recognize the non-controlling interests' share of changes to the subsidiary's equity are made even if this results in the non-controlling interests having a deficit balance. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in the non-controlling interests' relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interest and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to equity holders of the Company.

Balances, transactions, income and expenses between the Company and its subsidiary are eliminated on consolidation.

Details of the Company's significant subsidiaries which are consolidated are as follows:

			Proportion of ownership interest held		
Name of subsidiaries	Principal activity	Country of incorporation	**December 31, 2022**	December 31, 2021	Mineral properties
Stannum Metals Inc.	Holding company	BVI (i)	**100%**		Porvenir, San Florencio ("SF")
Whitehorse Gold (Yukon) Corp	Mining	Canada	**100%**	100%	Skukum

(i) British Virgin Islands ("BVI")

(d) Foreign Currency Translation

The functional currency for each subsidiary of the Company is the currency of the primary economic environment in which the entity operates. The functional currency of the head office and Canadian subsidiaries is the Canadian dollar ("CAD"). The functional currency of all BVI subsidiaries is the US dollar ("USD").

Foreign currency monetary assets and liabilities are translated into the functional currency using exchange rates prevailing at the balance sheet date. Foreign currency non-monetary assets are translated using exchange rates prevailing at the transaction date. Foreign exchange gains and losses are included in the determination of net income.

The consolidated financial statements are presented in CAD. The financial position and results of the Company's entities are translated from functional currencies to CAD as follows:
- assets and liabilities are translated using exchange rates prevailing at the reporting date;
- income and expenses are translated using average exchange rates prevailing during the period; and
- all resulting exchange gains or losses are included in other comprehensive income or loss.

The Company treats inter-company loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment. When a foreign entity is sold, the historical exchange differences plus the foreign exchange impact that arises on the transaction are recognized in the consolidated statement of loss as part of the gain or loss on sale.

(e) Business Combinations or asset acquisition

Optional concentration test
The Company applies an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions
When the Company acquires a group of assets and liabilities that do not constitute a business, the Company identifies and recognizes the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business Combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash, and short-term money market instruments that are readily convertible to cash with original terms of three months or less. The Company has no cash equivalents at December 31, 2022 and December 31, 2021.

(g) Plant and Equipment

Plant and equipment are initially recorded at cost, including all directly attributable costs to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Plant and equipment are subsequently measured at cost less accumulated depreciation and applicable impairment losses. Depreciation is computed using the straight-line method based on the nature and estimated useful lives as follows:

Buildings	20 Years
Machinery	20 Years
Equipment and furniture	5 Years
Computer software	5 Years
Office equipment	5 Years
Motor Vehicle	5 Years

Subsequent costs that meet the asset recognition criteria are capitalized while costs incurred that do not extend the economic useful life of an asset are considered repair and maintenance, which are accounted for as an expense recognized during the period. The Company conducts an annual assessment of the residual balances, useful lives, and depreciation methods being used for plant and equipment and any changes are applied prospectively.

Assets under construction are capitalized as construction-in-progress. The cost of construction-in-progress comprises of the asset’s purchase price and any costs directly attributable to bringing it into working condition for its intended use. Construction-in-progress assets are transferred to other respective asset classes and are depreciated when they are completed and available for use.

Upon disposal or abandonment, the carrying amounts of plant and equipment are derecognized and any associated gain or loss is recognized in net income.

(h) Mineral Property Interests and Exploration and Evaluation Costs

The cost of acquiring mineral rights and properties either as an individual asset purchase or as part of a business combination, other than acquisition of assets between entities under common control, is capitalized and represents the property’s fair value at the date of acquisition. Fair value is determined by estimating the value of the property’s reserves, resources and exploration potential.

Exploration and evaluation costs, incurred associated with specific mineral rights and properties prior to demonstrable technical feasibility and commercial viability of extracting a mineral resource, are capitalized unless the Group concludes that a future economic benefit is more likely than not to be realised. These costs include directly attributable employee remuneration, materials and fuel used, surveying costs, drilling costs and payments made to contractors. In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Exploration and evaluation expenditures on properties for which the Company does not have title or rights to are expensed when incurred.

When a positive economic analysis of the mineral deposit is completed, the capitalized costs of the related property are transferred to mineral property and depreciated using the units of production method on commencement of commercial production.

(i) Impairment or Impairment Reversal of Long-lived Assets

Long-lived assets, including mineral property interests, plant and equipment are reviewed and tested for impairment when indicators of impairment are considered to exist. Impairment assessments are conducted at the level of cash-generating units ("CGU") or at the individual asset level, whichever is the lowest level for which identifiable cash inflows are largely independent of the cash flows of other assets. An impairment loss is recognized for any excess of carrying amount of a CGU over its recoverable amount, which is the greater of its fair value less costs to sell and value in use. For mineral properties, the recoverable amount is estimated as the discounted future net cash inflows expected to be derived from expected future production, metal prices, and net proceeds from the disposition of assets on retirement, less operating and capital costs. Impairment losses are recognized in the period they are incurred.

For exploration and evaluation assets, indication of impairment includes but is not limited to expiration of the right to explore, substantive expenditures in the specific area is neither budgeted nor planned, and exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources.

Impairment losses are reversed if there is evidence the loss no longer exists or has been decreased. This reversal is recognized in net income in the period the reversal occurs limited by the carrying value that would have been determined, net of any depreciation, had no impairment charge been recognized in prior years.

(j) Lease

Lease Definition

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An identified asset may be implicitly or explicitly specified in a contract, but must be physically distinct, and must not have the ability for substitution by a lessor. A lessee has the right to control an identified asset if it obtains substantially all of its economic benefits and either pre-determines or directs how and for what purposes the asset is used.

Measurement of Right of Use ("ROU") Assets and Lease Obligations
At the commencement of a lease, the Company, if acting in capacity as a lessee, recognizes an ROU asset and a lease obligation. The ROU asset is initially measured at cost, which comprises the initial amount of the lease obligation adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The ROU asset is subsequently amortized on a straight-line basis over the shorter of the term of the lease, or the useful life of the asset determined on the same basis as the Company's plant and equipment. The ROU asset is periodically adjusted for certain remeasurements of the lease obligation, and reduced by impairment losses, if any.

The lease obligation is initially measured at the present value of the lease payments remaining at the lease commencement date, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate if the rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease obligation, when applicable, may comprise of fixed payments, variable payments that depend on an index or rate, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase, extension or termination option that the Company is reasonably certain to exercise.

The lease obligation is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease obligation is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset.

Recognition Exemptions
The Company has elected not to recognize the ROU asset and lease obligations for short-term leases that have a lease term of 12 months or less or for leases of low-value assets. Payments associated with these leases are recognized as general and administrative expense on a straight-line basis over the lease term on the consolidated statement of loss and comprehensive loss. For the year ended December 31, 2022, a total of $nil (year ended December 31, 2021 – $28,100) short-term leases payments was recognized as an expense.

(k) Share-based Compensations

The Company makes share-based compensation, including stock options, to employees, officers, directors, and consultants.

For equity-settled awards, the fair value is charged to the consolidated statements of income and credited to equity, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest. The fair value of the stock options granted to employees, officers, and directors is determined at the date of grant using the Black-Scholes option pricing model with market related input. The fair value of stock options granted to consultants is measured at the fair value of the services delivered unless that fair value cannot be estimated reliably, in which case such fair value is determined using the Black-Scholes option pricing model. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

At each statement of financial position date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed (after adjusting for non-market performance conditions). The movement in cumulative expense is recognized in the consolidated statements of loss with a corresponding entry within equity. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

(l) Flow-through Common Shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the *Income Tax Act* (Canada) as qualified Canadian exploration expenses ("CEE"), are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company issues flow-through shares as part of its equity financing transactions in order to fund exploration activities at the Project. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized through the consolidated statement of loss and comprehensive loss as the eligible expenditures are incurred and renounced.

(m) Income Taxes

Current tax for each taxable entity is based on the taxable income at the substantively enacted statutory tax rate at financial position date and includes adjustments to taxes payable or recoverable in respect to previous periods.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- where the deferred tax asset or liability relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been substantively enacted by the end of the reporting period.
Deferred tax relating to items recognized outside profit or loss is recognized in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(n) *(Loss) earnings per share*

(Loss) earnings per share is computed by dividing net (loss) income attributable to equity holders of the Company by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if additional common shares are assumed to be issued under securities that entitle their holders to obtain common shares in the future. For stock options, the number of additional shares for inclusion in diluted earnings per share calculations is determined when the exercise price is less than the average market price of the Company’s common shares; the stock options are assumed to be exercised and the proceeds are used to repurchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted earnings per share.

(o) *Financial Instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition:
On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as fair value through profit or loss (“FVTPL”), in which case transaction costs are expensed as incurred.

Subsequent measurement of financial assets:
Subsequent measurement of financial assets depends on the classification of such assets.

I. Non-equity instruments:
IFRS 9 includes a single model that has only two classification categories for financial instruments other than equity instruments: amortized cost and fair value. To qualify for amortized cost accounting, the instrument must meet two criteria:
   i. The objective of the business model is to hold the financial asset for the collection of the cash flows; and
   ii. All contractual cash flows represent only principal and interest on that principal.

All other instruments are mandatorily measured at fair value.

II. Equity instruments:
At initial recognition, for equity instruments other than held for trading, the Company may make an irrevocable election to designate it as either FVTPL or fair value through other comprehensive income ("FVTOCI").

Financial assets classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income.

Financial assets classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss. Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income ("OCI"). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

Impairment of financial assets carried at amortized cost:
The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Subsequent measurement of financial liabilities
Financial liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization using the effective interest method is included in finance costs.

Financial liabilities classified as FVTPL are measured at fair value with gains and losses recognized in profit or loss.

The Company classifies its financial instruments as follows:
- Financial assets classified as amortized cost: cash, and other receivables; and
- Financial liabilities classified as amortized cost: trade and other payables, accrued liabilities, long-term payable, and due to related parties.

Derecognition of financial assets and financial liabilities:
A financial asset is derecognized when:
- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. In this case, a new liability is recognized, and the difference in the respective carrying amounts is recognized in the consolidated statement of loss.

Offsetting of financial instruments:
Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

Fair value of financial instruments:
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

(p) Significant Judgments and Estimation Uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these judgments and estimates are continuously evaluated and are based on management's experience and best knowledge of relevant facts and circumstances, actual results may differ from these estimates.

Areas of significant judgment include:
- Capitalization of expenditures with respect to exploration and evaluation and development costs to be included in mineral rights and properties.
- Recognition, measurement and impairment or impairment reversal assessment for mineral rights and properties.
- Concentration test conducted for the determination on whether a transaction should be treated as business combination or asset acquisition.

Areas of significant estimates include:
- Valuation input and forfeiture rates used in calculation of share-based compensation.

3. ACQUISITION

(a) Acquisition of the Porvenir Project (defined below)

On August 22, 2022, the Company, through its wholly-owned subsidiary Stannum Metals Corp, entered into a Capital Quotas' Purchase Agreement (the "Porvenir Agreement") to acquire a 100% interest in Minera San Genaro S.R.L ("San Genaro") from its shareholders (the "Porvenir Vendors"). San Genaro's primary asset is one tin-zinc-silver-lead polymetallic mineral project (the "Porvenir Project"), or ATE (Temporary Special Authorization), located in the Oruro Department of Bolivia. The transaction was entered into based on normal market conditions at the amount agreed on by the parties.

In order to acquire 100% interest in the Porvenir Project, the Company will pay total cash consideration of USD $1,750,000 as follow:

- USD $750,000 paid to Porvenir Vendors upon the signing of the agreement for 51% interest of San Genaro;
- USD $750,000 payable on the first anniversary of signing of the Porvenir Agreement for the remaining 49% interest of San Genaro; and
- USD $250,000 to be paid on the second anniversary of signing the Porvenir Agreement.

The transaction was accounted for as an acquisition of assets as the purchase price was concentrated on a single asset. The purchase price was solely allocated to mineral property interest.

The Company has a right to forfeit unpaid consideration at any time prior to the completion of the payment schedule as stated above. If the Company exercises such right, the Company will return all interests received in San Genaro until that moment to the Porvenir Vendors, and the Porvenir Vendors are not required to repay the payments received to that date.

The Company has only paid the first tranche payment of USD $750,000 (CAD $973,946) and has accounted for the payment as mineral property interest. In addition, a total of $17,325 transaction costs were capitalized as part of the acquisition cost of the mineral property interest recognized.

(Expressed in Canadian dollars, except for share figures)

(b) Acquisition of the SF Project (defined below)

On August 17, 2022, the Company, through its wholly-owned subsidiary Stannum Metals Corp, entered into a confirmation drilling agreement with the shareholders of Sucesorespardo LTDA (the "Sucesorespardo"). The Company paid US$100,000 to the SF Target Company's shareholders to conduct a confirmation drill program on the SF Project to validate historically drill hole data.

On December 23, 2022, based on the satisfactory confirmation drilling results, the Company, through its wholly-owned subsidiary Stannum Metals Corp, entered into a Capital Quotas' Purchase Agreement (the "SF Agreement") to acquire a 100% interest in Sucesorespardo from its shareholders (the "SF Vendors"). The Sucesorespardo's primary asset is a tin-zinc-silver-lead polymetallic mineral project (the "SF Project"), or ATE, located in the Oruro Department of Bolivia. The transaction was entered into based on normal market conditions at the amount agreed on by the parties.

In order to acquire 100% interest in the SF Project, the Company will pay total cash consideration of USD $3,500,000. Payment terms and schedules are summarized as follow:

- USD $100,000 paid to the SF Vendors to conduct the confirmation drill program as stated above;
- USD $1,000,000 paid to the SF Vendor upon the signing of the SF Agreement for a 100% interest of Sucesorespardo;
- USD $1,000,000 payable on the first anniversary of signing of the SF Agreement; and
- USD $1,400,000 to be paid on the second anniversary of signing of the SF Agreement.

The Company has a right to forfeit unpaid consideration at any time prior to the completion of the payment schedule as stated above. If the Company exercises such right, the Company will return all interests in Sucesorespardo received until that moment to the SF Vendors, and the SF Vendors are not required to repay the payments received to that date.

The payment of USD $100,000 to conduct the confirmation drilling and the initial payment of USD $1,000,000 upon the signing of SF agreement as described above, totaled to CAD $1,477,476, were accounted for as mineral property interest. In addition, a total of $376,378 transaction costs were capitalized part of the acquisition cost of the mineral property interest recognized.

4. OTHER RECEIVABLES

		December 31, 2022		December 31, 2021
Receivables related to 2022 Private Placement (Note 11)	**$**	**120,000**	$	-
GST and other tax receivable		**31,881**		72,602
	$	**151,881**	$	72,602

As of December 31, 2022, a total of $120,000 payments due from participants of the 2022 Private Placement (Note 11 (a)) was in transit. The Company received such payments in full in January 2023.

(Expressed in Canadian dollars, except for share figures)

5. DEPOSITS AND PREPAYMENTS

		December 31, 2022		December 31, 2021
Deposits and prepayments related to property and equipment	**$**	**27,182**	$	57,182
Other deposits and prepaid expenses		**136,385**		68,793
Total		**163,567**		125,975
Non-current portion		**(27,182)**		(57,182)
Current deposits and prepaid expenses	**$**	**136,385**	$	68,793

6. LOAN RECEIVABLE

In March 2022, the Company entered into a loan agreement ("Loan Agreement") with a private Guinean gold mining company which owns certain mining concessions and licenses located in Guinea (the "Properties"), in exchange for a right to negotiate an option acquisition agreement to acquire a 100% interest in the Guinean gold mining company (the "Borrower").

Pursuant to the Loan Agreement, the Company has advanced a $314,700 (US$250,000) loan to the Borrower, mainly for the payment of Government tax on the title of the Properties. As security for the loan, the Borrower has pledged its shares in the wholly-owned subsidiary which holds the title of the Properties. The loan has a term of two years and bears an interest of 5%.

As of December 31, 2022, the Company noted financial difficulty of the Borrower and determined the loan was not recoverable. As a result, the Company recorded a write-off of $342,675. The carrying value of the loan receivable was $nil.

7. PROPERTY AND EQUIPMENT

Cost	**Building**	**Office equipment**	**Computer software**	**Equipment and furniture**	**Machinery**	**Motor vehicle**	**Construction in process**	**Total**
Balance, January 1, 2021	$ -	$ 2,408	$ 13,884	$ -	$ -	$ -	$ -	$ 16,292
Additions	439,118	20,666	9,916	62,456	88,436	76,869	119,721	817,182
Disposals	-	(2,408)	-	-	-	-	-	(2,408)
Ending balance as at December 31, 2021	439,118	20,666	23,800	62,456	88,436	76,869	119,721	831,066
Additions	-	4,738	-	-	-	-	-	4,738
Disposals	-	-	-	-	-	(76,869)	-	(76,869)
Foreign currency translation impact	-	194	-	-	-	-	-	194
Ending balance as at December 31,2022	**$ 439,118**	**$ 25,598**	**$ 23,800**	**$ 62,456**	**$ 88,436**	**$ -**	**$ 119,721**	**$ 759,129**
Accumulated depreciation and amortization								
Balance, January 1, 2021	-	(40)	(1,430)	-	-	-	-	(1,470)
Depreciation and amortization	(9,009)	(3,113)	(4,635)	(9,368)	(7,152)	(19,162)	-	(52,439)
Disposals	-	407	-	-	-	-	-	407
Ending balance as at December 31, 2021	(9,009)	(2,746)	(6,065)	(9,368)	(7,152)	(19,162)	-	(53,502)
Depreciation and amortization	(21,963)	(4,134)	(5,133)	(12,491)	(17,690)	(19,166)	-	(80,577)
Disposals	-	-	-	-	-	38,328	-	38,328
Ending balance as at December 31,2022	**$ (30,972)**	**$ (6,880)**	**$ (11,198)**	**$ (21,859)**	**$ (24,842)**	**$ -**	**$ -**	**$ (95,751)**
Carrying amounts								
Balance as at December 31, 2021	$ 430,109	$ 17,920	$ 17,735	$ 53,088	$ 81,284	$ 57,707	$ 119,721	$ 777,564
Ending balance as at December 31,2022	**$ 408,146**	**$ 18,718**	**$ 12,602**	**$ 40,597**	**$ 63,594**	**$ -**	**$ 119,721**	**$ 663,378**

(Expressed in Canadian dollars, except for share figures)

During the year ended December 31, 2022, a total of $21,758 depreciation and amortization (year ended December 31, 2021 - $17,116) was recognized in the consolidated statement of loss, and a total of $58,819 depreciation and amortization was capitalized to mineral property and interest (year ended December 31, 2021 – $35,323).

During the year ended December 31, 2022, the Company terminated some vehicle lease contracts and returned the leased vehicles to the vendor. The loss associated with these lease contract terminations was summarized in the table below.

Right-of-use asset disposed	$	38,541
Lease obligation terminated (Note 9)		(27,570)
Disposal cost and termination penalty		17,380
Loss on termination of lease contracts	$	28,351

8. MINERAL PROPERTY INTERESTS

(i) Skukum Project

Skukum Project covering an area of 170.3 square kilometers (“km”), is located approximately 55 km south of Whitehorse, Yukon Territory, Canada, and consists of 1,051 mining claims hosting three identified gold and gold-silver mineral deposits: Skukum Creek, Goddell and Mount Skukum.

For the year ended December 31, 2022, total expenditures of $1,278,309 (year ended December 31, 2021 - $8,779,827), were capitalized under the Skukum Project.

(ii) Porvenir Project

The Company acquired the Porvenir Project in August 2022 (note 3). The Porvenir Project covers an area of 11.25 square km and is at an elevation of approximately 4,100 meters..

For the year ended December 31, 2022, total expenditures of $103,910, were capitalized under the project.

(iii) SF Project

The Company acquired the SF Project in December 2022 (note 3). The SF Project covers an area of approximately 2.0 square km and is at an elevation of approximately 4,200 meters.

For the year ended December 31, 2022, total expenditures of $412,240, were capitalized under the project.

(Expressed in Canadian dollars, except for share figures)

The continuity schedule of mineral property interest is summarized as follows:

Cost	Skukum	SF	Porvenir	Total
Balance, January 1, 2021	$ 13,406,867	$ -	$ -	$ 13,406,867
Capitalized exploration expenditures				
Geology study	1,783,245	-	-	1,783,245
Geophysics & surveying	188,071	-	-	188,071
Drilling & assaying	3,145,606	-	-	3,145,606
Camp service	2,020,543	-	-	2,020,543
Environmental monitoring	450,821	-	-	450,821
Project management and support	1,051,410	-	-	1,051,410
Permitting & claims	140,131	-	-	140,131
Balance, December 31, 2021	$ 22,186,694	$ -	$ -	$ 22,186,694
Capitalized exploration expenditures				
Acquisition (Note 3)	-	1,853,854	991,271	2,845,125
Drilling & assaying	331,894	267,546	-	599,440
Camp service	344,117	-	-	344,117
Environmental monitoring	157,638	-	-	157,638
Permitting & claims	229,562	11,424	81,986	322,972
Reporting and assessment	132,407	-	-	132,407
Geology study	44,222	16,802	-	61,024
Project management and support	38,469	116,468	21,924	176,861
Foreign currency impact	-	(7,883)	49,590	41,707
Balance, December 31, 2022	**$ 23,465,003**	**$ 2,258,211**	**$ 1,144,771**	**$ 26,867,985**

9. LEASE

The following table summarizes changes in the Company's lease obligations related to the Company's vehicle leases.

	Lease Obligation
Balance, Janaury 1, 2021	$ -
New lease agreements entered	51,473
Interest accrual	4,217
Interest paid	(4,217)
Principal repayment	(11,771)
Balance, December 31, 2021	**$ 39,702**
Interest accrual	3,789
Interest paid	(3,789)
Principal repayment	(12,132)
Lease termination (Note 7)	(27,570)
Balance, December 31, 2022	**$ -**

(Expressed in Canadian dollars, except for share figures)

10. FLOW-THROUGH SHARE 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, as 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.

Below is a summary of the Flow-through Unit (as defined below) private placement and the related flow-through share premium liability generated:

		Flow-through Funds		Flow-through premium liability
Balance, January 1, 2021	$	-	$	-
Flow-through funds raised (note 11(a))		5,833,640		364,603
Flow-through eligible expenditures		(5,833,640)		(364,603)
Balance, December 31, 2021	**$**	**-**	**$**	**-**

11. SHARE CAPITAL

(a) Share Capital - authorized share capital

The Company has authorized share capital of unlimited number of common shares without par value.

<u>2022 Private Placement</u>

On December 16, 2022, the Company closed first tranche of non-brokered private placement (the “2022 Private Placement”), whereby the Company completed the issuance of 7,922,500 units (each, a "2022 Unit") at a price of $0.40 per unit for gross proceeds of $3,169,000. Each 2022 Unit consisting of one Common Share and one-half of one non-transferable Share purchase warrant (each whole warrant, a “2022 Warrant”). Each 2022 Warrant will entitle the holder thereof to acquire one Share from the Company at a price of $0.65 per Share for a period of 24 months from the closing of the Offering.

In connection with the first tranche of 2022 Private Placement, the Company paid cash finders fee of $800, and $19,710 in legal fees.

The securities issued in connection with the 2022 Private Placement have a holding period of four months and one day.

Subsequently on January 24, 2023, the Company closed the second tranche of the 2022 Private Placement, whereby the Company completed the issuance of 4,885,000 2022 Units for gross proceeds of $1,954,000 in the second tranche.

2021 Private Placement

On May 14, 2021, the Company raised aggregate gross proceeds of $15,264,590 by way of private placement (the "2021 Private Placement"). The 2021 Private Placement consisted of: (i) a brokered private placement offering (the "Brokered Private Placement") of units (each, a "2021 Unit") and flow-through units (each, a "Flow-Through Unit") for aggregate gross proceeds of approximately $13,442,990; and (ii) a non-brokered private placement offering (the "Non-Brokered Private Placement") of 2021 Units and Flow-Through Units for aggregate gross proceeds of $1,821,600. Under the 2021 Private Placement, the Company issued an aggregate of 6,287,300 2021 Units and 3,646,025 Flow-Through Units.

The Units were priced at $1.50 per 2021 Unit and Flow-Through Units at $1.60 per Flow-Through Unit. Each 2021 Unit consists of one Share and one transferable Share purchase warrant (a "2021 Warrant"). Each Flow-Through Unit consists of one flow-through Share and one Share purchase warrant (a "Flow-Through Warrant"). Each 2021 Warrant entitles the holder to acquire one Share from the Company at a price of $2.00 per Share for a period of 60 months following closing of the 2021 Private Placement (the "Closing"). Each Flow-Through Warrant entitles the holder to acquire one Share from the Company at a price of $2.10 per Share for a period of 60 months following Closing. In the event that the closing price of the Shares is greater than $3.00 per Share on the TSXV for a period of 10 consecutive trading days at any time after the Closing, the Company may accelerate the expiry date of the Warrants and the Flow-Through Warrants by giving written notice to the holders thereof, in the form of a press release, and in such case the Warrants and the Flow-Through Warrants will expire 30 days thereafter.

In connection with the Brokered Private Placement, the Company paid a cash commission of $446,579; and issued 286,249 commission warrants. In connection with the Non-Brokered Private Placement, the Company paid aggregate of $9,180 and issued 6,000 commission warrants. The commission warrants entitle the holder to acquire one Share from the Company at a price of $2.00 per Share for a period of 24 months from the Closing.

The securities issued in connection with the 2021 Private Placement had a holding period of four months and one day from the Closing.

Share issue costs related to the 2021 Private Placement totalled $865,154, which included $700,131 in cash commission, finder's fees, and other insurance costs, and $165,023 Commission Warrants (note 11(c)).

(b) Share-based compensation

The Company has a share-based compensation plan (the "Plan") which allows for the maximum number of common shares to be reserved for issuance on stock options to be a rolling 10% of the issued and outstanding common shares from time to time.

For the year ended December 31, 2022, a total of $370,923 (year ended December 31, 2021 - $409,816), were recorded as share-based compensation expense, and a net reversal of $44,536 (year ended December 31, 2021 – expense of $86,807) were capitalized under mineral property interests due to forfeitures.

(Expressed in Canadian dollars, except for share figures)

The continuity schedule of stock options, as at December 31, 2022, is as follows:

	Number of options	Weighted average
Balance, January 1, 2021	3,450,000	$ 0.32
Options granted	1,315,000	1.08
Options exercised	(91,667)	0.32
Options cancelled/forfeited	(873,333)	0.77
Balance, December 31, 2021	3,800,000	$ 0.48
Options granted	3,580,000	0.50
Options exercised	(1,068,334)	0.32
Options cancelled/forfeited	(3,091,666)	0.48
Balance, December 31, 2022	**3,220,000**	$ 0.55

The following table summarizes information about stock options outstanding as at December 31, 2022:

Exercise price	Number of options outstanding at December 31, 2022	Weighted average remaining contractual life (Years)	Weighted average exercise price	Number of options exercisable at December 31, 2022	Weighted average exercise price
$0.315	530,000	7.88	$0.315	353,333	$0.315
$0.48	300,000	4.67	$0.48	-	$0.48
$0.50	1,640,000	4.26	$0.50	273,331	$0.50
$0.60	500,000	3.91	$0.60	166,667	$0.60
$1.38	250,000	8.34	$1.38	125,000	$1.38
$ 0.315 to $1.38	3,220,000	5.16	$0.55	918,331	$0.57

During the year ended December 31, 2022, the Company granted 3,580,000 stock options (year ended December 31, 2021 – 3,450,000) to certain directors, officers and consultants having a weighted average exercise price of $0.50, a term of five years, and vesting over a three-year period in 1/6 increments, beginning on the six-month anniversary following the date of grant. The fair value of the options granted is $0.35 per common share and estimated using the Black-Scholes options pricing model with the following assumptions:

	For the year ended December 31, 2022
Risk free interest rate	**2.16%**
Expected life of option in years	**2.74 years**
Expected volatility	**124.31%**
Expected dividend yield	**0.0%**
Estimated forfeiture rate	**10%**
Weighted average share price at date of grant	**$0.50**

The option pricing model requires the input of subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. The Company's expected volatility is based on historical volatility of the Company on the TSXV.

(Expressed in Canadian dollars, except for share figures)

(c) Share purchase warrant

The continuity schedule of share purchase warrants, as at December 31, 2022, is as follows:

	Number of warrants	Weighted averaga exercise price
Balance, January 1, 2021	-	$ -
Warrants granted	10,225,574	2.04
Balance, December 31, 2021	10,225,574	2.04
Warrants granted	3,961,250	0.65
Balance, December 31, 2022	**14,186,824**	**$ 1.65**

The following table summarizes information about share purchase warrants outstanding as at December 31, 2022.

	Exercise price	Number of warrants outstanding at December 31, 2022	Expiry date
Warrant granted in 2021 Private Placement	$2.00	6,287,300	May 14, 2026
Flow-Through Warrant	$2.10	3,646,025	May 14, 2026
Commission Warrant	$2.00	292,249	May 14, 2023
Warrant granted in 2022 Private Placement	$0.65	3,961,250	December 15, 2024
		14,186,824	

The Company applied residual method to allocate the proceeds received on sale of 2022 Units, 2021 Units, and Flow-Through Units between equity accounts. Based on the Company's share price at the closing date of 2022 and 2021 Private Placement, the fair value of the 2022 Warrants, 2021 Warrants and Flow-through Warrants were deemed to be $nil.

The fair value of the Commission Warrants granted in connection with 2021 Private Placement (note 11(a)) is $0.56 per Common Share and estimated using the Black-Scholes options pricing model with the following assumptions:

	Year ended December 31, 2021
Risk free interest rate	**0.32%**
Expected life in years	**2 years**
Expected volatility	**83.51%**
Expected dividend yield	**0.00%**

(Expressed in Canadian dollars, except for share figures)

12. RELATED PARTY TRANSACTIONS

Related party transactions are made on terms agreed upon by the related parties. The balances with related parties are unsecured, non-interest bearing, and due on demand. Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

	Note	**December 31, 2022**	December 31, 2021
Payables due to Silvercorp Metals Inc.	i	**$ 32,232**	$ 24,475

i) Silvercorp Metals Inc. ("Silvercorp") owns approximately 31.64% interest in the Company, on a non-diluted basis. Silvercorp and the Company share office space and Silvercorp provides various general and administrative services to the Company. Expenses in services rendered and incurred by Silvercorp on behalf of the Company for the year ended December 31, 2022 was $228,159 (year ended December 31, 2021 - $240,092).

The remuneration of directors and key management personnel are as follows:

	Year ended December 31,	
	2022	2021
Directors' fees	**$ -**	$ 87,000
Directors' share-based compensation	**194,632**	142,571
Key management's salaries and benefits	**326,840**	980,198
Key management's share-based compensation	**82,879**	262,552
	$ 604,351	$ 1,472,321

13. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity risk and credit risk in accordance with its risk management framework. The Company's Board has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(a) Fair Value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 13 – *Fair Value Measurement* ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

(Expressed in Canadian dollars, except for share figures)

The Company does not have any financial instruments that are measured at fair value on a recurring basis as at December 31, 2022 and December 31, 2021. Fair value of financial instruments measured at amortised cost approximate their carrying amount as at December 31, 2022 and December 31, 2021.

(b) Liquidity Risk

The Company has no operating revenues. Liquidity risk is the risk that the Company will not be able to meet its short-term business requirements. As at December 31, 2022, the Company had working capital of $1,531,489. The Company's ability to continue operations in the normal course of business is dependent on the Company's ability to secure additional financing.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities:

	December 31, 2022	
	Balance	**Due within a year**
Accounts payable and accrued liabilities	$ 785,733	$ 785,733
	$ 785,733	**$ 785,733**

(c) Foreign Exchange Risk

The Company is exposed to foreign exchange risk when it undertakes transactions and holds assets and liabilities denominated in foreign currencies other than its functional currencies. The functional currency of the Company and Whitehorse Gold (Yukon) Corp is CAD. The functional currency of all intermediate holding companies is USD. The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to foreign exchange risk that could affect net income is summarized as follows:

Financial assets denominated in foreign currencies other than relevant functional currency	December 31, 2022
United States dollars	**$ 43,077**
Bolivianos	**65,309**
Total	**$ 108,386**

Financial liabilities denominated in foreign currencies other than relevant functional currency	December 31, 2022
United States dollars	**$ 34,943**
Bolivianos	**173,452**
Total	**$ 208,395**

As at December 31, 2022, with other variables unchanged, a 1% strengthening (weakening) of the USD against the CAD would have increased (decreased) net income by approximately $81.

As at December 31, 2022, with other variables unchanged, a 1% strengthening (weakening) of the Bolivianos against the USD would have decreased (increased) net income by approximately $1,081.

(Expressed in Canadian dollars, except for share figures)

(d) Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is primarily associated with cash, receivables, and deposits and prepayments. The carrying amount of financial assets included on the consolidated statement of financial position represents the maximum credit exposure.

The Company has deposits of cash that meet minimum requirements for quality and liquidity as stipulated by the Board. Management believes the risk of loss to be remote, as majority of its cash are held with major financial institutions. As at December 31, 2022, the Company had an other receivables balance of $151,881 (December 31, 2021 - $72,602).

14. INCOME TAX

The income tax reconciliation is summarized below:

	Year ended December 31, 2022	Year ended December 31, 2021
Canadian statutory tax rate	**27.00%**	**27.00%**
Loss before income taxes	**$ (2,153,740)**	**$ (2,174,315)**
Income tax recovery computed at Canadian statutory rates	**(581,510)**	**(587,065)**
Foreign tax rates different from statutory rate	**95**	**-**
Temporary differences changes	**18,616**	**2,568**
Share-based compensation	**100,149**	**110,650**
Amortization of flow-through share premium	**-**	**(98,443)**
Flow-through expenditures renunciation	**-**	**1,575,083**
Change in unrecognized deferred tax assets	**441,464**	**(997,942)**
Other	**39,802**	**(2,283)**
Adjustments in respect of prior years	**(18,616)**	**(2,568)**
	$ -	**$ -**

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable profit is probable. The ability to realize the tax benefits is dependent upon numerous factors, including the future profitability of operations in the jurisdiction in which the tax benefit arises. Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

	December 31, 2022	December 31, 2021
Non-capital loss carry forward	**$ 4,947,650**	$ 3,319,058
Plant and equipment	**3,102,409**	2,983,291
Investment tax credit	**1,624,391**	1,624,391
	$ 9,674,450	$ 7,926,740

(Expressed in Canadian dollars, except for share figures)

As of December 31, 2022, the Company has the following net operating losses, expiring various years to 2041 and available to offset future taxable income:

	Canada	Bolivia
2027	$ -	$ 5,396
2038	41,718	-
2039	202,167	-
2040	769,928	-
2041	2,285,391	-
2042	1,643,050	-
	$ 4,942,254	$ 5,396

15. CAPITAL MANAGEMENT

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal exploration and operating requirement on an ongoing basis, continue the investment in high quality assets along with safeguarding the value of its development and exploration mineral properties, and support any expansionary plans.

The capital of the Company consists of the items included in equity less cash and cash equivalents. Risk and capital management are primarily the responsibility of the Company's corporate finance function and is monitored by the Board of Directors. The Company manages the capital structure and makes adjustments depending on economic conditions. Significant risks are monitored and actions are taken, when necessary, according to the Company's approved policies.

16. SEGMENT INFORMATION

The Company's reportable operating segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer who is the Chief Operating Decision Maker ("CODM"). The operational segments are determined based on the Company's management and internal reporting structure.

As at and for the year ended December 31, 2022, the Company operates in four reportable operating segments, one being the corporate segment; the other three being the exploration and development segments based on the mineral properties in Canada and Bolivia.

The Company had only one reportable operating segment before entering the transactions related to the Porvenir Project and the SF Project in this period. Effective September 30, 2022, the Company revised its reportable segments to reflect recent changes in the CODM's way of reviewing and assessing the Company's performance. As a result, the "Corporate" and the "Skukum" segment are being reported separately. The comparative information has been reclassified because of these changes.

(Expressed in Canadian dollars, except for share figures)

(a) Segmented information for assets and liabilities is as follows:

December 31, 2022

	Corporate (Canada and BVI)	Exploration and Development: Skukum (Canada)	Exploration and Development: SF (Bolivia)	Exploration and Development: Porvenir (Bolivia)	Total
Cash	**$ 2,035,487**	**$ 6,902**	**$ 18,772**	**$ 27**	**$ 2,061,188**
Plant and equipment	**65,498**	**597,880**	**-**	**-**	**663,378**
Mineral property interests	**-**	**23,465,003**	**2,258,211**	**1,144,771**	**26,867,985**
Other assets	**241,256**	**43,250**	**-**	**46,017**	**330,523**
Total Assets	**$ 2,342,241**	**$ 24,113,035**	**$ 2,276,983**	**$ 1,190,815**	**$ 29,923,074**
Total Liabilities	**$ (256,657)**	**$ (49,256)**	**$ (338,600)**	**$ (173,452)**	**$ (817,965)**

December 31, 2021

	Corporate (Canada and BVI)	Exploration and Development: Skukum (Canada)	Exploration and Development: SF (Bolivia)	Exploration and Development: Porvenir (Bolivia)	Total
Cash	$ 4,752,269	$ 397,644	$ -	$ -	$ 5,149,913
Plant and equipment	80,341	697,223	-	-	777,564
Mineral property interests	-	22,186,694	-	-	22,186,694
Other assets	54,287	159,365	-	-	213,652
Total Assets	$ 4,886,897	$ 23,440,926	$ -	$ -	$ 28,327,823
Total Liabilities	$ 263,720	$ 661,758	$ -	$ -	$ 925,478

(Expressed in Canadian dollars, except for share figures)

(b) Segmented information for operating results is as follows:

	Year ended December 31, 2022				
	Corporate (Canada and BVI)	Exploration and Development			Total
		Skukum (Canada)	SF (Bolivia)	Porvenir (Bolivia)	
Salaries and benefits	**$ 545,319**	**$ -**	**$ -**	**$ -**	**545,319**
Project evaluation and corporate development	**100,267**	**-**	**-**	**-**	**$ 100,267**
Share-based compensation	**370,923**	**-**	**-**	**-**	**370,923**
Other operating expenses	**779,333**	**4,298**	**-**	**5,184**	**788,815**
Total operating expense	**1,795,842**	**4,298**	**-**	**5,184**	**1,805,324**
Interest expense	**-**	**3,789**	**-**	**-**	**3,789**
Foreign exchange (gain) loss	**(26,714)**	**315**	**-**	**-**	**(26,399)**
Allowance for bad debt provision	**342,675**	**-**	**-**	**-**	**342,675**
Loss on early termination of leases	**-**	**28,351**	**-**	**-**	**28,351**
Net loss	**$ 2,111,803**	**$ 36,753**	**$ -**	**$ 5,184**	**$ 2,153,740**

	Year ended December 31, 2021				
	Corporate (Canada and BVI)	Exploration and Development			Total
		Skukum (Canada)	SF (Bolivia)	Porvenir (Bolivia)	
Salaries and benefits	$ 1,112,949	$ -	$ -	$ -	$ 1,112,949
Share-based compensation	409,816	-	-	-	409,816
Other operating expenses	982,451	15,498	-	-	997,949
Total operating expense	2,505,216	15,498	-	-	2,520,714
Interest expense	-	4,217	-	-	4,217
Amortization of flow-through share premium	(364,603)	-	-	-	(364,603)
Foreign exchange (gain) loss	13,187	800	-	-	13,987
Net loss	$ 2,153,800	$ 20,515	$ -	$ -	$ 2,174,315