Tintina Mines Limited

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)

Stern & Lovrics LLP
Chartered Professional Accountants

Samuel V. Stern, BA, CPA, CA
George G. Lovrics, BComm, CPA, CA

Nazli Dewji, BA, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tintina Mines Limited

Opinion

We have audited the financial statements of Tintina Mines Limited (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income and comprehensive income, changes in shareholders' deficiency 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, 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. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company had a working capital deficiency of $2,647,576 for the year ended December 31, 2023 (2022 - $2,540,501), As stated in Note 1, this event or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the Management 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 generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is George G. Lovrics.

Stern & Lovrics LLP

Toronto, Ontario
April 18, 2024

Chartered Professional Accountants
Licensed Public Accountants

Tintina Mines Limited

Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 9,463,919	$ 9,560,459
Accounts receivable, prepaid expenses and other (note 3)	12,682	16,153
Total current assets	9,476,601	9,576,612
Non-current assets		
Security deposit (note 4(a))	100,000	100,000
Exploration and evaluation assets (note 4)	4	4
Total non-current assets	100,004	100,004
Total assets	$ 9,576,605	$ 9,676,616
Liabilities and shareholders' deficiency		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	$ 52,692	$ 45,628
Grid promissory note (note 5)	12,071,485	12,071,485
Total current liabilities	12,124,177	12,117,113
Non-current liabilities		
Site restoration provision (note 6)	983,970	779,265
Total liabilities	13,108,147	12,896,378
Shareholders' deficiency		
Common shares (note 7)	10,559,453	10,559,453
Contributed surplus (note 8)	964,886	964,886
Deficit	(15,055,881)	(14,744,101)
Total shareholders' deficiency	(3,531,542)	(3,219,762)
Total liabilities and shareholders' deficiency	$ 9,576,605	$ 9,676,616

Nature of operations and going concern (note 1)

Approved by the Board of Directors:

Director: Eugenio Ferrari

Director: Carmelo Marrelli

The notes to the financial statements are an integral part of these statements.

Tintina Mines Limited

Statements of Loss (Income) and Comprehensive Loss (Income)
(Expressed in Canadian Dollars)

	Years Ended December 31, 2023	2022
Expenses (income)		
Exploration and evaluation expenditures	**$ 4,848**	$ 4,910
Accretion (note 6)	**25,715**	8,135
Compensation (note 10)	**10,843**	11,205
Foreign exchange loss (gain)	**194,209**	(735,788)
General administration	**3,637**	5,493
Insurance	**24,208**	22,345
Legal and professional fees (note 10)	**80,000**	54,127
Listing and compliance costs	**15,495**	30,573
Rent	**28,985**	19,322
Interest income	**(255,150)**	-
Sale of net smelter royalty (note 4(e))	**-**	(8,751,400)
Site restoration provision	**178,990**	198,233
Net loss (income) and comprehensive loss (income) for the year	**$ 311,780**	$ (9,132,845)
Loss (income) per share (note 9)		
Basic	**$ 0.01**	$ (0.20)
Diluted	**$ 0.01**	$ (0.20)
Weighted average number of shares outstanding (note 9)		
Basic	**45,904,932**	45,904,932
Diluted	**45,904,932**	46,533,867

The notes to the financial statements are an integral part of these statements.

Tintina Mines Limited

Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Common shares				
	Number	**Amount**	**Contributed Surplus**	**Deficit**	**Total**
		$	**$**	**$**	**$**
Balance as of December 31, 2021	45,904,932	10,559,453	964,886	(23,876,946)	(12,352,607)
Net income for the year	-	-	-	9,132,845	9,132,845
Balance as of December 31, 2022	45,904,932	10,559,453	964,886	(14,744,101)	(3,219,762)
Net loss for the year	-	-	-	(311,780)	(311,780)
Balance, December 31, 2023	**45,904,932**	**10,559,453**	**964,886**	**(15,055,881)**	**(3,531,542)**

The notes to the financial statements are an integral part of these statements.

Tintina Mines Limited

Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Years Ended December 31, 2023	2022
	$	$
Operating activities		
Net (loss) income for the year	**(311,780)**	9,132,845
Items not affecting cash:		
Accretion	**25,715**	8,135
Gain on sale of Net Smelter Royalty	**-**	(8,751,400)
Site restoration provision	**178,990**	198,233
Net change in non-cash working capital		
Accounts receivable, prepaid expenses and other	**3,471**	(600)
Accounts payable and accrued liabilities	**7,064**	11,435
Cash used in operating activities	**(96,540)**	598,648
Investing activities		
Proceeds from sale of net smelter royalty	**-**	8,751,400
Cash flows provided by investing activities	**-**	8,751,400
Change in cash and cash equivalents	**(96,540)**	9,350,048
Cash and cash equivalents, beginning of the year	**9,560,459**	210,411
Cash and cash equivalents, end of the year	**9,463,919**	9,560,459
Cash and cash equivalents, consist of:		
Cash	**135,821**	9,560,459
Short-term deposits	**9,328,098**	-
	9,463,919	9,560,459

The notes to the financial statements are an integral part of these statements.

1. Nature of operations and going concern

Tintina Mines Limited (the "Corporation", the "Company", or "Tintina") is engaged in the evaluation, acquisition and exploration of gold and base mineral properties in Canada, with the intent of developing and placing the properties into production, if commercially feasible. Tintina was incorporated on December 6, 1961 under the laws of Canada and its registered office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The Company is a development stage enterprise and currently has no significant revenue from operations. The Company has not yet determined whether the mining properties and claims it holds in its exploration portfolio contain resources that are economically recoverable. Future operations are dependent upon the existence of economically recoverable resources, the ability of the Company to obtain all necessary permits and to raise financing to complete the exploration and development and future profitable production or proceeds from the disposition of such properties. In addition, the Company's properties may be subject to significant financial risks, legal and political risks, commodity prices risks, and the ability of the Company to discover economically recoverable reserves and to bring such reserves into future profitable production.

These financial statements have been prepared on the basis that the Company is a “going concern”, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company currently does not intend to liquidate or cease trade. The Company has no source of operating cash flows. As at December 31, 2023, the Company had a working capital deficiency of $2,647,576 (December 31, 2022 - 2,540,501) net loss of $311,780 during the year ended December 31, 2023, and has yet to achieve profitable operations from exploration activities, thereby accumulating a deficit of $15,055,881 (December 31, 2022 - $14,744,101). These continuing exploration losses cast significant doubt about the Company’s ability to continue as a going concern. Accordingly, the Company will need to raise additional capital through equity issuance or through its significant shareholder in order to continue funding its operating, exploration and evaluation activities or eventual development of its properties. The outcome of these matters cannot be predicted at this time.

To date, the Company has raised funds principally through borrowing funds from its current significant shareholder (the “Significant Shareholder") and formerly from his father. As of September 30, 2011, a loan agreement was signed that stated that he has agreed to advance to Tintina, in an amount and frequency agreed to between the Company and the significant shareholder from time to time, monies as are required to maintain the Company’s ongoing activities. Therefore, in the foreseeable future the Company will likely remain dependent on the significant shareholder to raise funds to explore and develop its properties, and on the availability of project financing for the development of the Company's properties.

These financial statements do not include any adjustments related to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Summary of significant accounting policies

Basis of presentation, consolidation and statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) as of December 31, 2023.

These financial statements have been prepared on a historical cost basis except for cash carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. Summary of significant accounting policies (continued)

Basis of presentation, consolidation and statement of compliance (continued)

These financial statements of the Company have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The financial statements were prepared on a going concern basis under the historical cost convention and these financial statements were authorized for issuance by the Board of Directors of the Company on April 18, 2024.

Functional Currency

The Company's presentation and functional currency is the Canadian Dollar.

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized in the statements of loss and comprehensive loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Actual results could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are as follows:

(i) Exploration and evaluation assets

The Company makes certain estimates and assumptions regarding the recoverability of the carrying values of exploration and evaluation assets. These assumptions are changed when conditions exist that indicate the carrying value may be impaired, at which time an impairment loss is recorded.

(ii) Site restoration provision

The Company recognizes the liability for statutory, contractual, constructive or legal obligations, including those associated with the restoration of mineral properties, when those obligations result from the exploration or development of its properties. The Company assesses its provision for site restoration on an ongoing basis. Significant estimates and assumptions are made in determining the provision for site restoration, as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of restoration activities, technological changes, regulatory changes, cost increases as compared to inflation rates, and discount rates. Those uncertainties may result in future actual expenditures differing from the amounts currently provided.

(iii) Share-based payments

The Company determines the fair value of share options and share purchase warrants granted, using the Black-Scholes pricing model. This pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option/warrant. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

2. Summary of significant accounting policies (continued)

Critical accounting estimates and judgments (continued)

(iv) Deferred tax

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimates of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

(v) Leases

Leases requires lessees to discount lease payments using the rate implicit in the lease if that is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recorded real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over similar term the funds necessary to obtain an asset similar value to the right-of-use asset in a similar economic environment.

(vi) Going Concern Assumption

In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments, management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations on an ongoing basis and its expansionary plans. The key inputs used by the Company in this process include forecasted capital deployment, results from operations, results from the exploration and development of its mineral properties and general industry conditions.

Changes in these inputs may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern (Note 1).

Evaluation and exploration

Evaluation and exploration ("E&E") expenditures generally include the direct costs of licenses, technical services and studies, environmental studies, seismic studies, exploration drilling and testing, and directly attributable overhead and administrative expenses including remuneration of operating personnel and supervisory management. These costs do not include general prospecting or valuation costs incurred prior to having obtained the rights to explore an area, which are expensed as incurred, or costs incurred after technical feasibility and commercial viability of extracting the resource is established, which are classified either as tangible or intangible mine development costs according to the nature of the assets.

E&E expenditures are capitalized if it is probable that these costs will be recovered from future operations otherwise they are recorded as an expense in the period in which they are incurred.

Management reviews the carrying value of capitalized E&E assets each reporting period for indications of impairment. E&E assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where information is available, and conditions suggest impairment, the fair value of the mineral property is determined using the estimated net cash flows for the mineral property taking into account proven and probable reserves and resources, estimated future prices and operating, capital and reclamation costs. In the case of undeveloped projects, there may be only inferred or indicated resources to form a basis for the impairment review. In such cases, the impairment review is based on the exploration and evaluation results to-date and a status report regarding the Company's intentions for development of the mineral property.

2. Summary of significant accounting policies (continued)

Evaluation and exploration (continued)

Recovery of the resulting carrying value of exploration and evaluation assets depends on the successful development or sale of the undeveloped project. If a project does not prove viable, all non-recoverable costs associated with the project are written off.

The amount presented, if any, for E&E assets represents costs incurred to date and does not necessarily reflect present or future values.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with maturities of less than three months at the date of acquisition. As at December 31, 2023, the Company had short term deposits of $9,328,098 (December 31, 2022 - $nil)

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("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 if the Company has opted to measure them at FVTPL.

The Company's financial instruments consist of the following:

Classification	IFRS 9
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Grid promissory notes	Amortized cost

Classification and measurement of financial assets

Financial assets that meet the following conditions are measured subsequently at amortized cost:
- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Classification and measurement of financial assets (continued)

Financial assets that meet the following conditions are measured at fair value through other comprehensive income ("FVTOCI"):
- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Classification and measurement of financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using effective interest method.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Impairment

The impairment model under IFRS 9 is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. the Company's only financial assets subject to impairment are amounts received which are measured at amortized costs. The Company has elected to apply the simplified approach on impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The Company has measured the lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to debtors and other relevant factor.

2. Summary of significant accounting policies (continued)

Impairment of non-financial assets

The Company assesses the carrying amount of non-financial assets including office and exploration equipment at each reporting date to determine whether there is any indication of impairment. Internal factors, such as budgets and forecasts, as well as external factors, such as expected future prices, costs and other market factors are also monitored to determine if indications of impairment exist. Impairment is assessed at the individual asset or cash - generating unit ("CGU") level. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or group of assets.

An impairment loss is the amount equal to the excess of the carrying amount over the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

If after the Company has previously recognized an impairment loss, circumstances indicate that the fair value of the impaired assets is greater than the carrying amount, the Company reverses the impairment loss by the amount the revised fair value exceeds its carrying amount, to a maximum of the previous impairment loss. In no case shall the revised carrying amount exceed the original carrying amount after depreciation, that would have been determined if no impairment loss had been recognized. An impairment loss or a reversal of an impairment loss is recognized in the statements of loss and comprehensive loss.

Site restoration obligation

Site restoration obligations arise when environmental disturbance is caused by the exploration or development of a mineral property interest. Site rehabilitation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the site restoration obligation and is discounted to its present value. A corresponding amount is also recognized as part of the cost of the related asset; however, to the extent that the site restoration obligation was created due to exploration activities, the amount capitalized is reduced immediately by a charge to exploration expense for the same amount. The obligation is progressively increased as the effect of discounting unwinds creating an expense recognized in the statements of loss and comprehensive loss.

Provisions

A provision is recognized when there is a present legal or constructive obligation, as a result of a past event, which is likely to result in an outflow of economic benefits and where a reliable estimate of the amount of the obligation can be made. If the effect is material, a provision is determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects the risks specific to the liability where appropriate.

Share-based compensation

The Company has a share option plan that allows the Company's employees, directors and consultants to acquire shares in the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in contributed surplus. The fair value of option grants to executives who are primarily dedicated to the exploration and evaluation of mining properties is expensed with a corresponding increase in contributed surplus. The fair value of options is measured using the Black-Scholes option pricing model and estimated forfeitures as at the grant date and is recognized over the vesting period. At the end of each reporting period, the compensation expense is adjusted to reflect any changes to the Company's estimate of the number of awards that are expected to vest. Upon exercise of a share option, the consideration received is credited to share capital along with the amounts previously recognized in contributed surplus.

2. Summary of significant accounting policies (continued)

Lease and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. 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 re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term.

Earnings (loss) per common share

Basic (earnings) loss per share are computed by dividing the net (earnings) loss applicable by the weighted average number of common shares outstanding during the reporting year. Diluted (earnings) loss per share is computed by dividing the net (earnings) loss by the sum of the weighted average number of common shares issued and outstanding during the reporting year and all additional common shares for the assumed exercise of options and warrants outstanding for the reporting year, if dilutive.

The treasury stock method is used to arrive at the diluted (earnings) loss per share, which is determined by adjusting the (earnings) loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share do not include the effect of share options and warrants as they are antidilutive.

Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases (“temporary differences”) and loss carryforwards.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. The effect on deferred tax assets and liabilities of a change in tax rates is generally recognized in income in the period that includes the date of enactment or substantive enactment. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

Income taxes (continued)

Deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss.

Segment reporting

The Company operates in one operating segment in the evaluation, acquisition and exploration of gold and base mineral properties in Canada.

Current and future accounting standards

There are no new and amended standards that are applicable to the business of the Company.

Standards issued but not yet effective

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

3. Accounts receivable, prepaid expenses and other

Accounts receivable, prepaid expenses and other comprise the following:

December 31,	**December 31,**	
	2023	**2022**
Prepaid expenses	**$ 12,682**	$ 15,472
Harmonized and goods and services tax receivable	**-**	681
	$ 12,682	$ 16,153

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

		December 31, 2023		December 31, 2022
Whitehorse Mining District, Yukon Territory - 22 claims (2022 - 22) (a)	$	1	$	1
Sudbury Mining District, Ontario (b)		1		1
Watson Lake Mining District, Yukon Territory - 11 claims (2022 -11) (c)		1		1
Wark Township, Ontario - 159 acres, patented mineral rights (2022 - 159) (d)		1		1
	$	4	$	4

The Company continues to hold title to these properties and may continue exploration activities in these areas in the future.

(a) Whitehorse Mining District, Yukon Territory

The Red Mountain molybdenum deposit, which has undergone an extensive drill program of approximately 21,000 meters undertaken by Amoco Canada Petroleum Company Ltd, reported a total inferred resources of 187.3 million tonnes grading 0.167% MoS2 (using a 0.10% MoS2 cutoff). The reported resources includes 21.3 million tonnes grading 0.293% MoS2 (using a 0.25% cut-off) at the high-grade zone of the deposit. Although these resources are not considered to be NI 43-101 compliant as they were calculated prior to the implementation of current reporting rules and have not yet been recalculated, they are considered reliable given the prominent reputation of the author (D.W. Asbury, 1983).

During 2011, the Company completed a 64 km access road to Red Mountain. The road was completed at a cost of approximately $5 million, funded through a loan agreement from the Company's principal shareholder. The loan is presently unsecured, non-interest bearing and non-convertible.

In 2012, the Company conducted geotechnical, hydrogeological and geological drilling as well as surface environmental studies to support permitting that would be required for advanced underground exploration, at an aggregate cost of approximately $3.3 million. As of the end of the year ended December 31, 2012, the Company had completed approximately 2,800 meters of drilling. During 2012, the Company continued with environmental monitoring and other required data gathering activities to support advanced exploration planning and the permitting process.

During 2013, a preliminary hydrogeological baseline study from the 2012 work program was delivered to the Company. The Company's work in 2013 was comprised principally of on-going environmental monitoring studies and data gathering activities, at a total cost of approximately $569,000, primarily attributable to in-field consulting work and transportation in the off-season by helicopter.

No significant activities were undertaken during the year ended December 31, 2014 due to sustained and weakening commodity prices. The Company has deferred any further activities at Red Mountain and will only complete activities required for the care and maintenance of the access road and exploration site until economic conditions improve.

The cores from the 2012 drill program were delivered for assaying to Aurora Geosciences in Whitehorse Yukon in late 2014. The results from two holes of confirmation drilling were analyzed against historical findings. Initial visual estimates of Mo correlated fairly well with assays. The detection of higher concentrations of molybdenum in the holes at depth is generally consistent with the historical findings which were considered reliable. A detailed analysis and report will be released upon availability.

On March 20, 2017, certain claims at Red Mountain in the Yukon had not yet been renewed due to an unintended error in the claims renewal process. The Company notes that the affected claims are not considered to be material because they do not cover the areas of known mineralization. Although management continued to pursue the

4. Exploration and evaluation assets (continued)

reinstatement of these claims, its efforts proved to be unsuccessful and therefore these claims are regarded as lost.

4. Exploration and evaluation assets (continued)

(a) Whitehorse Mining District, Yukon Territory (continued)

In addition, due to the loss of the claims, the mining land use permit for road access to the main claims of the project was no longer valid. The terms of the Company's permit required that if it no longer held the affected claims, the Company would be required to remediate the road they had built along with the existing camp, the old camp site, any trail or secondary roads, drill pads and any other disturbances.

On August 14, 2017, Tintina management submitted a letter to the Land Use Manager in the Yukon requesting an extension of the current Land Use Permit for the road within the third party claims in order to keep land access to the project. On August 23, 2017, the Company received an official communication from the Land Use Manager office of the Energy, Mines and Resources department informing Tintina that the Land Use Permit has been amended to include the portion of the Red Mountain Road previously located on Tintina claims and currently within third party claims. Therefore, Tintina will maintain the road access to the Red Mountain Project and perform exploration activities using it.

On October 19, 2020, Tintina Mines received the Class 3 Quartz Mining Land Use Permit approval for the Red Mountain Molybdenum project. The permit is valid until October 18, 2030 and allows the company to perform a variety of exploration activities, including drilling and site road building. The Land Use Permit for the project road access is still under assessment.

As at December 31, 2023 the Company has a security deposit of $100,000 (December 31, 2022 - $100,000) with the Yukon Department of Energy Mines and Resources for the completion of any remediation on the land in the future.

(b) Sudbury Mining District, Ontario

This property consists of 500 acres of land held in fee simple, purchased in November 1978 in the Mining District of Sudbury West in the Township of May. Exador Resources Inc. holds a 10% net profit royalty from any future mineral production from the property.

(c) Watson Lake Mining District, Yukon Territory

The Watson Lake property consists of 11 active claims. As a result of exploration work on the Watson Lake property, the Company received grants totaling $116,240 during 1975 and 1976 from the Department of Indian and Northern Affairs (Government of Canada). Should gainful production commence as a result of the work carried out, then: (i) the grants will be repayable at a rate of not less than 10% per annum; (ii) the amount repayable will bear simple interest at approximately 2% above the average rate on long-term Government of Canada bonds; and (iii) interest will be accrued from the date the grants become repayable. To date, gainful production has not commenced and no obligation for principal or interest payments has been accrued in these financial statements. No fieldwork was carried out during the year ended December 31, 2023.

(d) Wark Township, Ontario

The property consists of 159 acres (approximately 64 hectares) of patented mineral rights located in the Wark Township, northeastern Ontario. Access to the prospect is by the 655 route, approximately 21 km north of the City of Timmins. Based on remote sensing analysis, about 30% of the prospect corresponds to the Feldman Lake area. As at December 31, 2023, the mining rights are in good standing.

(e) Rand Malartic Royalty

The Company had a Net Smelter Royalty (NSR) on the Rand Malartic Project in Quebec with Canadian Malartic GP ("CMGP"), which effective March 17, 2022, and signed on March 25, 2022, CMGP exercised its buyout option to repurchase the 2% net smelter return royalty held by the Company over the Rand property for a total purchase price of $7,000,000 (USD).

(Expressed in Canadian Dollars)

5. Grid Promissory Note

As at December 31, 2023, the Company has a $12,071,485 (December 31, 2022 - $12,071,485) a loan from its Significant Shareholder. As of September 30, 2011, the Company signed a loan agreement whereby these past, present and future advances will be covered under a grid promissory note (“the Grid Note”). After demand is made, the Grid Note will bear interest at a rate of 3%. As at December 31, 2023, the note is unsecured, does not bear interest and is payable on demand.

6. Site restoration provision

In connection with construction of the all-weather access road to the Red Mountain mine site during 2012, the Company has an obligation to return the site as close as possible to its pre-construction condition. These activities will include leaving the site clean following the project completion, removing hazardous materials and petroleum products from the site and re-contouring major cuts and side slopes, preventing long-term erosion/slumping and promoting successful revegetation of disturbed areas. This gives rise to a site restoration obligation when exploration and mining activities at the site are completed. The long-term site restoration provisions are based on current management plans, cost estimates and compliance with existing agreements.

Tintina’s site restoration provision was calculated assuming a risk free discount rate of 3.45% (2022 - 3.3%) and an inflation factor of 7.24% (2022 - 5.35%). The liability for restoration on an undiscounted basis before inflation is estimated to be approximately $498,000. Management anticipates that such costs will be incurred between 2031 and 2067, depending upon the success of exploration activities undertaken.

In view of the uncertainties concerning the cost estimates and the extent of decommissioning activities that will be required, the ultimate cost of the site restoration could differ materially from the estimated amounts provided. The estimate of the total liability for site restoration costs is subject to change based on amendments to laws and regulations and as new information concerning the Company's operations becomes available. Future changes, if any, to the estimated total liability as a result of amended requirements, laws, regulations and operating assumptions may be significant and would be recognized prospectively as a change in accounting estimate, when applicable.

The Company is not able to determine the impact, if any, of environmental laws and regulations that may be enacted in the future on its results of operations or financial position due to the uncertainty surrounding the ultimate form that such future laws and regulations may take.

The following presents the Company’s provision estimate activity:

	December 31, 2023	**December 31, 2022**
Opening balance	**$ 779,265**	$ 572,897
Accretion	**25,715**	8,135
Change in estimate	**178,990**	198,233
Ending Balance	**$ 983,970**	$ 779,265

(Expressed in Canadian Dollars)

7. Common shares

a) The Company is authorized to issue unlimited common shares without par value.

b) Common shares issued

The Company did not have any share capital activity during the years ended December 31, 2023 and 2022.

8. Share options

The Company has a rolling 10% incentive stock option plan (the “Plan”) under which options to purchase common shares of the Company may be granted to directors, officers, employees and consultants of the Company. The Plan was approved by the shareholders in January 2021. Under the Plan, the terms and conditions of each grant of options are determined by the Board of Directors. If there are no terms specified upon grant, options vest immediately on the grant date. The number of common shares subject to options granted under the Plan is limited to 10% of the issued and outstanding common shares of the Company and no one person may receive in excess of 5% of the outstanding common shares of the Company at the time of grant, without the disinterested shareholder approval. Stock options to any consultants and to persons conducting investor relation activity shall not exceed 2% of the outstanding common shares at the time of grant.

A summary of the share option activity during the years presented below:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2021, December 31, 2022	3,334,465	0.06
Expired	(3,334,465)	(0.06)
Balance, December 31, 2023	-	-

As at December 31, 2023, their were no stock options outstanding.

9. Loss (Income) per share

	Year Ended December 31, 2023	Year Ended December 31, 2022
Net loss (income) for the year	**$ 311,780**	$ (9,132,845)
Weighted average outstanding - basic	**45,904,932**	45,904,932
Dilutive stock options	**-**	628,935
Weighted average outstanding - diluted	**45,904,932**	46,533,867
Net loss (income) per share:		
- basic	**$ 0.01**	$ (0.20)
- diluted	**$ 0.01**	$ (0.20)

Basic income per share is computed by dividing net income (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted loss per share, an adjustment is not made for the dilutive effect of outstanding stock options as they are anti-dilutive.

(Expressed in Canadian Dollars)

10. Related party transactions and balances

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's President, Vice-president, and Secretary-Treasurer and members of the Company's Board of Directors.

Compensation awarded to key management personnel is as follows:

The Company paid $16,876 for the year ended December 31, 2023 (year ended December 31, 2022 - $nil) to the Chief Executive Officer and director of the Company for consulting services. As of December 31, 2023, the Chief Executive Officer and director was owed $16,876 (December 31, 2022 - $nil). These amounts were included in accounts payable and accrued liabilities.

During the year ended December 31, 2023, the Company paid professional fees totaling $36,485 (December 31, 2022 – $33,191) for: (i) Mr. Jing Peng to act as CFO of the Company, (ii) Carmelo Marrelli, beneficial owner of the Marrelli Group, to act a director of the Company, (iii) bookkeeping services, (iv) filing services (v) corporate secretarial services and (vi) transfer agent services. The Marrelli Group was owed $1,505 (December 31, 2022 - $1,692) and these amounts were included in amounts payable and accrued liabilities.

The Significant Shareholder also holds a Grid Promissory Note totaling $12,071,485 (note 5) as at December 31, 2023 (December 31, 2022 - $12,071,485), which is payable on demand.

11. Income taxes

(a) Rate reconciliation

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Income (Loss) before income taxes	$ (311,780)	$ (9,132,845)
Combined statutory income tax rate	26.5%	26.5%
Income tax benefit at the combined Canadian statutory income tax rate	(82,622)	2,420,203
Change in tax benefits not recognized	82,622	(2,420,203)
Actual income tax recovery	$ -	$ -

(Expressed in Canadian Dollars)

11. Income taxes (continued)

(b) Deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2023	2022
Non-deductible loss	$ 1,813,933	$ 1,728,582
Capital losses	545,561	545,561
Resource-related deductions	11,426,263	11,421,415
Site restoration	983,970	779,265
Equipment	389,068	389,068
Net deferred income tax assets	$ 15,158,795	$ 14,863,891

(c) Non-capital loss carry forwards

The Company's Canadian non-capital income tax losses expire as follows:

Expiry date	Amount
2032	$ 234,725
2033	296,560
2034	146,947
2035	95,843
2036	127,968
2037	224,160
2038	120,058
2039	181,876
2040	170,384
2041	130,061
2042	-
2043	85,351
	$ 1,813,933

12. Capital management

The Company defines capital that it manages as its shareholders' deficiency. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company in order to support the acquisition, exploration and development of resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers its capital to be total shareholders' deficiency, comprising common shares, contributed surplus and deficit which at December 31, 2023, totaled a deficiency of $3,531,542 (December 31, 2022 - $3,219,762).

(Expressed in Canadian Dollars)

12. Capital management (continued)

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing and debt advances from its Significant Shareholder to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it is of the view that there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

Management is of the opinion that, subject to continuing to be able to raise equity and debt financing in the future, the Company will be able to maintain the status of its current exploration obligations and to keep its properties in good standing.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2023, the Company was compliant with known requirements other than Policy 2.5 of the TSX Venture Exchange. The Company continues to evaluate various options in order to meet the capital requirement imposed by Policy 2.5 of TSX Venture Exchange. There can be no assurance that the Company’s financing activities will be successful or sufficient.

13. Financial instruments

The carrying value of the Company's financial instruments is classified into the following categories:

	December 31, 2023	December 31, 2022
Fair value through profit and loss (1)	$ 9,463,919	$ 9,560,459
Financial liabilities - amortized cost (2)	$ 12,124,177	$ 12,117,113

(1) Includes cash.
(2) Includes accounts payable and accrued liabilities and promissory notes.

Fair value

IFRS requires that the Company disclose information about the fair value of its financial assets and financial liabilities. Fair value estimates are made at the end of the reporting period, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

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;
Level 3 - Inputs that are not based on observable market data.

13. Financial instruments (continued)

Fair value (continued)

The Company has designated its cash as fair value through profit and loss, which is measured at fair value based on level 1 of the fair value hierarchy. The Company holds investment in BMR that is considered to be classified as level 3. The fair value of $nil has been estimated by management using the Company's proportion of discounted cash flows expected to be recovered from the BMR bankruptcy. The fair values of the Company's accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's primary credit risk is on its bank accounts and fixed deposits, whose balance at December 31, 2023 of $9,463,919 (December 31, 2022 - $9,560,459) held with a large Canadian financial institution. Management believes that the credit risk with respect to these financial instruments is remote.

Liquidity risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at December 31, 2023, the Company's liabilities were comprised of accounts payable and accrued liabilities of $52,692, which have a maturity of less than one year, and promissory notes of $12,071,485, which is due on demand. As at December 31, 2023, the Company had cash of $9,463,919 to settle current liabilities. The Company receives additional cash from its Significant Shareholder on a regular basis when the cash on hand is insufficient to cover liabilities that become due and expects to be able to continue to raise these funds.

The receipt of such funds as contemplated would be sufficient to fund the capital requirements of the Company. However there can be no assurance that these funds will be available and as described in Note 1, the Company will need to raise additional capital through equity issuance or other available means in order to continue funding it's operating, exploration and evaluation activities, and eventual development of its properties. The outcome of these matters cannot be predicted at this time.

Market risk

Market risk arises through a general slowdown in the economy over a sustained period of time. The Company's investments operate businesses that are at risk of loss during the contraction of the economy. The Company's short-term investments are subject to market risk.

14. Subsequent event

On February 6, 2024, the Company announced that it has entered into an agreement dated as of today's date with Andean Belt Resources SpA ("ABR"), a mining exploration company incorporated under the laws of Chile, to acquire a 65%-75% equity ownership interest in ABR for cash consideration in the amount of $4,000,000 (USD). As described in greater detail below, ABR is a related party of the Company. The terms of the agreement are set out in a term sheet signed by both of the parties, and it is anticipated that a definitive agreement regarding the transaction will be negotiated and entered into in due course.

ABR owns approximately 22,819 hectares across five different properties in Chile, with the flagship property being the Domeyko Sulfuros project in Northern Chile. Management believes that this investment will enable the Company to gain a majority interest in the ABR portfolio which will also grant it access to high quality exploration projects located in a geographically favourable setting in Chile. It is anticipated that, as a result of the acquisition, the Company will hold between 65%-75% of the issued and outstanding share capital of ABR, with the exact percentage to be determined based on due diligence and exchange rates. As described below, this will be a related party transaction for the Company.

The funds provided as consideration for the acquisition are intended to be used primarily to finance exploration and technical studies at the Domeyko Sulfuros property in Chile. The immediate plan will be to conduct a comprehensive exploration of the primary sulfide mineralization at the Domeyko Sulfuros property, with the central objective of advancing the project towards a resource definition stage supported by reports generated in accordance with international standards.

In addition, the Company also has reached an agreement with its shareholder and sole creditor, Mr. Juan Enrique Rassmuss, to fully reorganize the Company's debt (currently in the amount of $12,071,484.57 (CAD)). The proposed debt reorganization would take place through two processes. The first is a partial conversion through the issuance of the lower of (i) 252,382,833 new common shares of the Company and (ii) such number of common shares of the Company that would result in no less than 10% of the common shares of the Company being in the "public float" (as defined in the policies of the TSX Venture Exchange), at a price of $0.03 per common share for an aggregate of up to $7,571,484.57.

The second component of the debt reorganization is the restructuring and reprofiling of the remaining debt (in the amount of approximately $4,500,000) that is anticipated to enhance the investment profile of the Company mainly by eliminating the current shareholders' deficiency and suspending the on-demand condition for a period of two years. This will be a related party transaction for the Company and will only be completed subject to the approval of the investment in ABR.

Both of the transactions described above are subject to all necessary regulatory and other approvals, including but not limited to the approval of the TSX Venture Exchange and the approval of the shareholders of the Company.