FORM 5A

ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to NV Issuers. NV Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

General Instructions

(a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Listed Issuer Name: Red Canyon Resources Ltd. **Website: www.redcanyonresources.com** **Listing Statement Date: April 25, 2024** **Description(s) of listed securities(symbol/type): REDC - Common Shares**
Brief Description of the Issuer's Business: Red Canyon Resources Ltd. (CSE: REDC) is a geoscience-driven, discovery-focused mineral exploration company focused on exploring North America's top copper jurisdictions. The Company's core goal is to make impactful copper discoveries to benefit all stakeholders and aid in the clean energy transition. Red Canyon has a portfolio of 100% owned copper and copper-gold porphyry exploration projects. The Company's technical

team consists of experienced geoscientists with diverse capital market, small cap and major mining company backgrounds, and a track record of success.
Description of additional (unlisted) securities outstanding Share purchase warrants and stock options
Jurisdiction of Incorporation: British Columbia
Fiscal Year End: December 31
Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): September 18, 2023
Financial Information as at: December 31, 2023

	Current	**Previous**
Cash	**$989,383**	**$289,606**
Current Assets	**$1,055,324**	**$305,048**
Non-current Assets	**$2,042,964**	**$1,016,269**
Current Liabilities	**$273,789**	**$229,970**
Non-current Liabilities	**-**	**-**
Shareholders' equity	**$2,824,499**	**$1,091,347**
Revenue	**-**	**-**
Net Income	**($258,879)**	**($124,045)**
Net Cash Flow from Operations	**($534,834)**	**($176,325)**

SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons: **Refer to Schedule A Note 11 "Related Party Transactions and Balances" and Schedule B Section 12 "Transactions Between Related Parties".**

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

(a) summary of securities issued during the period,

Refer to Schedule A Note 7.

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Jun 1/23	250,000	Lauren Roberts, Director	Employee	$0.22	Jun 1/28	$0.22

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

The Company is authorized to issue an unlimited number of common shares without par value. 34,937,459 Common Shares were outstanding as at December 31, 2023.

(b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Refer to Schedule A Note 7(c) and Note 8.

(c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Refer to Schedule A Note 7(d).

4. List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.

Name	Position	Date of Appointment
Wendell Zerb	Chairman, President, CEO, Director	Oct 2/20
Cecil R. Bond	Director	Jul 13/21
Lauren Roberts	Director	Jun 1/23
Caleb Stroup	President of RC Metals Inc., Director	Oct 2/20
Alistair Waddell	Director	Oct 2/20
Sandra Wong	CFO, Corporate Secretary	Oct 2/20

5. Financial Resources

a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

Refer to Schedule B Section 7 "Exploration and Evaluation Activities".

b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

Refer to Schedule B Section 7 "Exploration and Evaluation Activities".

c) Disclose the total funds available to the Issuer and the following breakdown of those funds:

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and

Estimated consolidated working capital as of March 31, 2024 is $550,000 including $195,000 of FT premium liability that will be settled upon expenditure of Canadian Exploration Expenses ("CEE").

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

Refer to Schedule B Section 9 "Liquidity" and Section 10 "Capital Resources".

(iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

$596,611 on CEE and the balance on general working capital.

6. Status of Operations

During the fiscal year, did the Listed Issuer

(a) reduce or impair its principal operating assets; or **No.**

(b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement? **No.**

Provide details:

7. Business Activity

a) Activity for a mining or oil and gas Listed Issuer

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or $50,000 in exploration or development expenditures?

Provide details.

Yes, the Issuer had greater than $50,000 in exploration expenditures.

(ii) If the response to (i) above is "no", for the three most recent fiscal years did the Listed Issuer have an aggregate of $100,000 in exploration or development expenditures?

Provide details.

b) Activity for industry segments other than mining or oil & gas

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or $100,000 in revenue from operations or $100,000 in development expenditures?

Provide details.

(ii) If the response to (i) above is "no", for the three most recent fiscal years, did the Listed Issuer have either $200,000 in operating revenues or $200,000 in expenditures directly related to the development of the business?

Provide details.

SCHEDULE A: AUDITED ANNUAL FINANCIAL STATEMENTS

SCHEDULE B: MANAGEMENT DISCUSSION AND ANALYSIS

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5A Annual Listing Summary is true.

Dated **April 25, 2024**.

Sandra Wong
Name of Director or Senior Officer

/s/ Sandra Wong
Signature

CFO
Official Capacity

Issuer Details Name of Issuer **Red Canyon Resources Ltd.**	For Year Ended **December 31, 2023**	Date of Report YY/MM/D **April 25, 2024**
Issuer Address **1210 – 1130 West Pender Street**		
City/Province/Postal Code **Vancouver, BC V6E 4A4**	Issuer Fax No. **(604) 681-9101**	Issuer Telephone No. **(604) 681-9100**
Contact Name **Sandra Wong**	Contact Position **CFO**	Contact Telephone No. **(604) 681-9100**
Contact Email Address **info@redcanyonresources.com**	Web Site Address **www.redcanyonresources.com**	

SCHEDULE A: AUDITED ANNUAL FINANCIAL STATEMENTS

RED CANYON RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

Baker Tilly WM LLP
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vancouver@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Red Canyon Resources Ltd.:

Opinion

We have audited the consolidated financial statements of Red Canyon Resources Ltd. and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive loss, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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 consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
Assessment of the existence of impairment indicators for exploration and evaluation assets	
Refer to note 6	Our approach to addressing the matter involved the following procedures, among others:
As at December 31, 2023, the carrying amount of the Company's exploration and evaluation assets was $1,920,710. At each reporting period, management assesses the exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. An impairment indicator was identified for the Hatter property. The carrying amount exceeds the recoverable amount of the asset and for the year ended December 31, 2023, an impairment of $34,070 was recognized. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to the exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining the impairment indicators, which included the following: • Obtained evidence to support (i) the right to explore the area and (ii) claim expiration dates, by reference to government license registries for a sample of claims under the related purchase and property option agreements. • Read the board of directors' minutes and resolutions and observed evidence supporting the continued and planned exploration expenditures. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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 Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
April 25, 2024

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

	Note	December 31, 2023 $	December 31, 2022 $
Assets			
Current assets			
Cash	2	968,620	269,396
Restricted cash	2	20,763	20,210
Amounts and other receivables		46,013	11,868
Prepaid expenses		19,928	3,296
Deferred share issuance costs		-	278
		1,055,324	305,048
Non-current assets			
Reclamation bonds	4	120,000	-
Equipment	5	2,254	883
Exploration and evaluation assets	6	1,920,710	1,015,386
Total assets		3,098,288	1,321,317
Liabilities			
Current liabilities			
Trade and other payables	11	63,208	229,970
Flow-through premium liability	9	210,581	-
Total liabilities		273,789	229,970
Equity			
Share capital	7	3,387,644	1,463,841
Share-based payment reserve	7	278,053	233,538
Accumulated other comprehensive loss		(516)	(2,854)
Accumulated deficit		(840,682)	(603,178)
		2,824,499	1,091,347
Total liabilities and equity		3,098,288	1,321,317

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 25, 2024 and are signed on its behalf by:

/s/"Wendell Zerb" Director   */s/"Cecil R. Bond"* Director

The accompanying notes form an integral part of these consolidated financial statements

RED CANYON RESOURCES LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Expenses			
Accounting and audit		47,308	56,351
Consulting	11	642	30,164
Depreciation	5	481	378
Filing fees		40,648	2,487
General exploration		37,536	55,999
Investor communication		11,204	542
Legal		57,857	1,384
Management	11	98,601	38,937
Office		35,905	18,731
Salaries and benefits	11	100,981	60,661
Share-based payments	7, 8, 11	37,307	30,482
Travel		9,088	2,321
Total expenses		(477,558)	(298,437)
Other income (expenses)			
Flow-through share premium	9	260,654	-
Finance income		34,489	3,477
Foreign exchange gain (loss)		(21,019)	39,630
Impairment of exploration and evaluation assets	6	(34,070)	(3,549)
Total other income (expenses)		240,054	39,558
Net loss		(237,504)	(258,879)
Other comprehensive loss			
Items that may be reclassified to comprehensive income (loss):			
Cumulative translation adjustment		2,338	(2,607)
Comprehensive loss		(235,166)	(261,486)
Loss per common share, basic and diluted		(0.01)	(0.01)
Weighted average number of common shares outstanding		31,273,469	25,945,754

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

RED CANYON RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Share Subscriptions $	Share-based Payment Reserve $	Accumulated Other Comprehensive Income (Loss) $	Accumulated Deficit $	Total $
Balance, December 31, 2021	24,925,450	1,251,641	92,200	180,292	(247)	(344,299)	1,179,587
Shares issued for private placement (Note 7)	1,061,000	212,200	(92,200)	-	-	-	120,000
Share-based payments (Note 8)	-	-	-	53,246	-	-	53,246
Net loss	-	-	-	-	-	(258,879)	(258,879)
Other comprehensive loss	-	-	-	-	(2,607)	-	(2,607)
Balance, December 31, 2022	25,986,450	1,463,841	-	233,538	(2,854)	(603,178)	1,091,347
Shares issued for private placement (Note 7)	5,221,600	1,148,752	-	-	-	-	1,148,752
Shares issued for flow-through private placement (Note 7)	3,729,409	820,470	-	-	-	-	820,470
Share-based payments (Note 8)	-	-	-	37,307	-	-	37,307
Share issue costs (Note 7)	-	(45,419)	-	7,208	-	-	(38,211)
Net loss	-	-	-	-	-	(237,504)	(237,504)
Other comprehensive loss	-	-	-	-	2,338	-	2,338
Balance, December 31, 2023	34,937,459	3,387,644	-	278,053	(516)	(840,682)	2,824,499

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

RED CANYON RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Operating activities		
Net loss	(237,504)	(258,879)
Items not involving cash:		
Depreciation	481	378
Unrealized foreign exchange	17,653	(35,192)
Share-based payments	37,307	30,482
Flow-through share premium	(260,654)	-
Impairment of exploration and evaluation assets	34,070	3,549
Changes in non-cash working capital accounts:		
Amounts and other receivables	(34,145)	(3,715)
Prepaid expenses	(16,635)	(2,082)
Trade and other payables	(75,407)	89,134
Cash used in operating activities	(534,834)	(176,325)
Investing activities		
Expenditures on exploration and evaluation assets	(1,045,610)	(444,721)
Deposits for reclamation bonds	(120,000)	-
Purchase of equipment	(1,852)	-
Cash used in investing activities	(1,167,462)	(444,721)
Financing activities		
Proceeds from share issuances	2,440,457	120,000
Share issuance costs	(37,933)	(278)
Cash provided by financing activities	2,402,524	119,722
Effect of foreign exchange on cash	(451)	2,614
Increase (decrease) in cash	699,777	(498,710)
Cash, beginning of year	289,606	788,316
Cash, end of year	989,383	289,606
Supplemental information		
Cash on hand	968,620	269,396
Restricted cash	20,763	20,210
	989,383	289,606
Share-based payments capitalized to exploration and evaluation assets	-	22,764
Interest paid	-	-
Income taxes paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Red Canyon Resources Ltd. (the "Company") was incorporated on October 2, 2020 under the laws of British Columbia. The Company's principal business activities include the acquisition and exploration of mineral property assets in Canada and the United States. The address of the Company's corporate office and its principal place of business is Suite 1210 – 1130 West Pender Street, Vancouver, British Columbia, Canada, V6E 4A4. The Company's shares were approved for trading on the Canadian Securities Exchange ("CSE") under the symbol "REDC" on October 25, 2023.

The Company has one wholly owned subsidiary: RC Metals Inc. The accounts of the subsidiary are consolidated with the Company.

As at December 31, 2023, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The Company has not generated revenue or positive cash flows from operations, has recurring net losses and an accumulated deficit of $840,682 at December 31, 2023 (2022 - $603,178). The Company's ability to continue its operations, develop its properties and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These conditions indicate a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") and related interpretations of the IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board ("IASB").

b) Basis of Presentation

The consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

c) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, RC Metals Inc., since its incorporation in Nevada on October 27, 2020. A wholly owned subsidiary is an entity in which the Company has control, directly or indirectly. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Inter-company balances and transactions are eliminated on consolidation.

d) Use of Estimates

The preparation of these consolidated financial statements requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Significant areas requiring the use of management estimates and judgments are described in Note 3.

e) Exploration and Evaluation Assets

Once the Company has legal title to or the right to explore a mineral property, all costs related to the acquisition, exploration and development of those mineral properties are capitalized and classified as exploration and evaluation assets ("E&E Assets"), which are intangible assets. Costs incurred prior to acquiring the legal title to or right to explore a mineral property are expensed in the period incurred.

The carrying values of E&E Assets are assessed for indicators of impairment at least annually, or when changes in facts or circumstances suggests that the carrying value of E&E Assets may not be recoverable. The recoverability of the carrying amounts of E&E Assets is dependent on maintaining the rights and title to E&E Assets, continued plans to explore the property in question, identifying the existence of economically recoverable ore reserves and the ability to obtain the necessary financing to complete the exploration for and development of such ore reserves. The Company has not yet determined whether any of its E&E Assets contains economically recoverable reserves. Amounts capitalized as E&E Assets represent costs incurred to date, less impairments (if any) and recoveries, and does not necessarily reflect present or future values.

f) Equipment

Equipment is recorded at cost, less accumulated depreciation and accumulated impairment losses (if any). Depreciation is calculated using the following rates and methods, over the useful lives of the equipment:

Computer equipment	20% straight line basis
Field equipment	30% declining balance basis

Equipment is assessed annually to determine whether the remaining useful lives and or depreciation rate should be adjusted. Any adjustments thereto are applied on a prospective basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g) Impairment of Non-Financial Assets

Equipment and E&E assets are assessed for indicators of impairment on an annual basis or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Where indications of impairment exist, the recoverable amount of the equipment or an E&E Asset in question is calculated. The recoverable amount is the higher of an asset's fair value less cost of disposal or its value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Value in use is determined using discounted estimated future cash flows of the relevant asset. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows, which are cash-generating units. Impairments are recognized in profit or loss in the period in which they occur.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration. Where an impairment loss is reversed, the carrying amount of the asset is adjusted to a value not higher than the value of the asset would have been had the original impairment not been recognized.

h) 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.

Financial assets – Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss); and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based upon observable market data.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

h) Financial Instruments (continued)

Cash and restricted cash are carried at fair value using a level 1 fair value measurement. The carrying value of reclamation bonds, and trade and other payables approximate their fair values because of their attached market rates of interest or the short-term nature of the instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method. The 'effective interest rate', is the rate that discounts the contractual cash flows over the instruments life, or a shorter period if appropriate. The Company classifies its reclamation bonds at amortized cost.

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an asset that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the period in which it arises. The Company measures cash and restricted cash at FVTPL.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

h) Financial Instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into the following categories:

- FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value change to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company has classified its trade and other payables at amortized cost. The Company has not designated any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its E&E Assets and accordingly no provision has been recorded for such site reclamation or abandonment.

j) Income Taxes

Income tax expense comprises current income tax and deferred tax. Income tax is recognized in profit or loss except to the extent it relates to items recognized in OCI or directly in equity.

Current income tax

Current income tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current income tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

j) Income Taxes (continued)

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on the difference between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities

- are recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of an asset to be recovered.

k) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company’s common shares, share warrants and stock options are classified as equity instruments.

The proceeds from the issue of units are allocated between common shares and share purchase warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares, and any residual value is allocated to share purchase warrants. Prior to the Company's common shares becoming listed, management estimated the fair value of common shares issued in a unit based on all available information about the Company's performance and operations that would indicate that the cash subscription price of the most recent common share issuance might not be representative of fair value. Where there is a wide range of possible fair value measurements and the recent cash subscription price received from parties that are not related to the Company represents the best estimate of fair value within that range, that cash subscription price was determined to be the

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

k) Share Capital (continued)

fair value. Subsequent to the Company's common shares becoming listed, the quoted market price of the Company's shares on the date of issuance is the most reliable indicator of fair value of the common share component.

Equity instruments issued to agents as financing costs are measured at their fair value at the date of grant as determined using the Black-Scholes option pricing model using comparable public company volatilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-Through Shares and Units

The Company will from time to time, issue flow-through common shares or flow-through units, consisting of a common share of the Company and a share purchase warrant, to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, the shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through issuance into i) share capital (being the value of the common shares and or warrants) and ii) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability. Upon expenses being incurred and renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under Look-back Rule, in accordance with the Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until qualifying expenditures are incurred.

l) Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. This follows the treasury stock method in which the dilutive effect on net income per share is recognized based on the proceeds that could be obtained from the exercise of options, warrants, and similar instruments. It assumes the proceeds would be used to purchase common shares at the average market price during the year. Where the Company incurs a net loss for the year, the effect of potentially dilutive instruments would be anti-dilutive. As such, diluted net loss per share is equivalent to basic net loss per share. The weighted average number of common shares outstanding for the years ended December 31, 2023 and 2022 does not include options outstanding as the inclusion of the amounts would be anti-dilutive.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

m) Share-based Payments

The Company operates an incentive stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued at the date of grant, and recognized over the vesting periods.

Share-based payments to non-employees are measured at the fair value of goods or services received, or the fair value of the equity instruments issued where the fair value of the goods or services cannot be reliably determined. The fair value of share-based payments is charged to profit or loss with a corresponding credit recorded to share-based payment reserve. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

The fair value of stock options is determined using the Black-Scholes option pricing model. Because the Company has limited trading history for its common shares, volatility for the model is determined using comparable public company volatilities. The number of stock options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

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

The Black-Scholes option pricing model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

n) Foreign Currency Translation

The presentation and functional currency of the Company is the Canadian dollar as this is the principal currency of the economic environment in which it operates. The functional currency of the subsidiary is the United States Dollar.

The Company translates transactions in foreign currencies into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the exchange rates in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at historical rates. The resulting exchange gains or losses are recognized in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

n) Foreign Currency Translation

A subsidiary that has a functional currency different from the presentation currency, is translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in OCI as cumulative translation adjustments.

o) Adoption of New and Revised Standards and Interpretations

Effective January 1, 2023, amendments to IAS 1 Presentation of Financial Statements were adopted with respect to disclosure of the Company's accounting policies. The adoption of the amendments did not result in any changes to the Company's accounting policies, the only impact was to the accounting policy information disclosed in the consolidated financial statements. As a result of the adoption of the amendments, the title of this note was changed from "significant accounting policies" which had been used in all previous periods. Where management determined necessary, clarifying language was applied in order to enhance focus on the materiality of a policy, and immaterial policy language was deleted.

The Company has not early adopted new or amended standards with adoption dates subsequent to January 1, 2024 in preparing these consolidated financial statements. These new standards are either not applicable to the Company or are not expected to have a material impact on the Company's consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

(Expressed in Canadian Dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the E&E Assets to which the expenditures are attached are impaired, the amount capitalized is written off in profit or loss in the period the new information becomes available.

ii) Title to Mineral Property Interests

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

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the estimated grant date share price, expected life of the share option, volatility based on comparable companies and dividend yield, and making assumptions about them. The assumptions and models used for estimating the fair value for share-based payment transactions are disclosed in Note 8.

4. RECLAMATION BONDS

During the year ended December 31, 2023, the Company advanced cash reclamation bond deposits of $120,000 directly to the Province of British Columbia. The bond deposits are returnable to the Company only after the government agencies are satisfied that there is no outstanding reclamation liability associated with the land. The deposits were applied to the projects as follows:

	Peak $	Ping $	Kendal $	SP $	Total $
Balance at December 31, 2021 and 2022	-	-	-	-	-
Additions	30,000	32,500	46,500	11,000	120,000
Balance at December 31, 2023	30,000	32,500	46,500	11,000	120,000

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Computer Equipment $	Field Equipment $	Total $
Cost			
Balance at December 31, 2021 and 2022	-	1,327	1,327
Additions	1,852	-	1,852
Balance at December 31, 2023	1,852	1,327	3,179
Depreciation			
Balance at December 31, 2021	-	66	66
Depreciation	-	378	378
Balance at December 31, 2022	-	444	444
Depreciation	216	265	481
Balance at December 31, 2023	216	709	925
Carrying amounts			
At December 31, 2022	-	883	883
At December 31, 2023	1,636	618	2,254

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

	British Columbia $	Nevada $	Utah $	Total $
Acquisition costs				
Balance, December 31, 2021	12,916	169,396	118,867	301,179
Additions	23,335	50,378	15,452	89,165
Impairment	(2,640)	-	-	(2,640)
Foreign exchange	-	13,474	8,739	22,213
Balance, December 31, 2022	33,611	233,248	143,058	409,917
Additions	12,490	45,176	15,874	73,540
Impairment	(3,236)	-	-	(3,236)
Foreign exchange	-	(6,157)	(3,599)	(9,756)
Balance, December 31, 2023	42,865	272,267	155,333	470,465
Exploration costs				
Balance, December 31, 2021	48,461	107,222	-	155,683
Additions				
Administration	22,764	-	-	22,764
Geology	204,923	26,331	117	231,371
Mapping and sampling	127,912	11,212	-	139,124
Project manager	43,254	1,436	-	44,690
Reports	17,717			17,717
BC Mineral Exploration Tax Credit	(14,538)	-	-	(14,538)
	402,032	38,979	117	441,128
Impairment	(909)	-	-	(909)
Foreign exchange	-	9,563	4	9,567
Balance, December 31, 2022	449,584	155,764	121	605,469
Additions				
Community relations	7,587	-	-	7,587
Drilling	388,123	5,525	-	393,648
Geology	146,935	29,178	9,079	185,192
Geophysics	162,307	-	-	162,307
Prospecting, mapping, sampling	71,050	-	-	71,050
Project manager	42,692	-	-	42,692
Reports	1,600	16,204	-	17,804
	820,294	50,907	9,079	880,280
Impairment	(30,834)	-	-	(30,834)
Foreign exchange	-	(4,527)	(143)	(4,670)
Balance, December 31, 2023	1,239,044	202,144	9,057	1,450,245
Total acquisition costs and exploration expenditures				
December 31, 2022	483,195	389,012	143,179	1,015,386
December 31, 2023	1,281,909	474,411	164,390	1,920,710

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

a) British Columbia Properties

The Company holds a 100% interest in five mineral properties in British Columbia.

(i) Peak Property - Peak is comprised of fifteen mineral claims totalling 6,718 hectares located in south central British Columbia, approximately 30 km northeast of Williams Lake. The Company acquired eleven of the claims by staking and one claim was purchased from an arm's length vendor for $575 and a 1% net smelter return ("NSR") royalty that the Company may purchase for $1,000,000 at any time.

During the year ended December 31, 2022, the Company received a British Columbia Mining Exploration Tax Credit ("METC") of $3,408 which reduced the carrying value of the Peak Property.

(ii) SP Property - SP was acquired by staking and is comprised of four mineral claims totalling 3,763 hectares located in south central British Columbia, approximately 50 km northeast of Williams Lake.

During the year ended December 31, 2022, the Company received a British Columbia METC of $11,130 which reduced the carrying value of the SP Property.

(iii) Kendal Property - Kendal was acquired by staking and is comprised of five mineral claims totalling 2,738 hectares located in west central British Columbia, approximately 25 kilometres northeast of Terrace.

(iv) Ping Property - Ping was acquired by staking and is comprised of five mineral claims totalling 5,408 hectares located in south central British Columbia, approximately 50 km northwest of Prince George.

(v) Cooper Property - Cooper was acquired by staking and is comprised of eight mineral claims totalling 5,445 hectares located in south central British Columbia, approximately 50 km northeast of the community of 100 Mile House.

(vi) Hatter Property - Hatter was acquired by staking and was comprised of three mineral claims totalling 1,849 hectares located in south central British Columbia, approximately 20 km south of Merritt. The Company elected not to maintain the claim and accordingly $3,236 in acquisition costs and $30,834 in exploration costs were written off during the year ended December 31, 2023.

(vii) Lou Property - Lou was acquired by staking and was comprised one mineral claim totalling 1,508 hectares located in south central British Columbia. The Company elected not to maintain the claim and accordingly $2,640 in acquisition costs and $909 in exploration costs were written off during the year ended December 31, 2022.

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

b) Nevada Property

The Company holds a 100% interest in the Scraper Springs property, which is comprised of 190 mineral claims totalling 1,589 hectares located in Elko County, Nevada. The Company acquired 96 of the claims pursuant to a property purchase and sale agreement with NewQuest Capital Inc. ("NewQuest"). NewQuest is a significant shareholder of the Company with certain directors in common. The purchase and sale agreement was dated February 22, 2021 for consideration of $100,000 (Canadian dollars) and is subject to a 2% NSR royalty. The Company staked an additional 94 claims on federal Bureau of Land Management ("BLM") land in September and October 2021 (Note 15(a)).

c) Utah Property

The Company holds a 100% interest in the Keg property, which is comprised of 63 mineral claims on BLM land and two Utah State leased sections totalling 1,049 hectares located in Juab County, Utah. The Property was acquired pursuant to a property purchase and sale agreement with NewQuest dated March 22, 2021 for consideration of $100,000 and is subject to a 2% NSR royalty.

7. SHARE CAPITAL

a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The Company issued the following common shares during the year ended December 31, 2023:

i) On March 31, 2023, the Company completed the first tranche of a non-brokered private placement (the "Unit Offering") consisting of 2,450,000 units priced at $0.22 (each, a "Unit") for gross proceeds of $539,000. Each Unit is comprised of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the Unit Offering was allocated to the warrants. Finder's fees of $10,758 and 48,900 finder's warrants with a fair value of $3,855 exercisable into common shares at $0.40 for a two year term were paid on $179,300 of the placement. One director and member of key management of the Company purchased a total of 100,000 Units for total proceeds of $22,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

ii) On April 25, 2023, the Company completed the second tranche of the Unit Offering consisting of 2,439,500 Units priced at $0.22 for gross proceeds of $536,690. $Nil of the Unit Offering was allocated to the warrants. Finder's fees of $2,501 and 11,370 finder's warrants with a fair value of $927 exercisable into common shares at $0.40 for a two year term were paid on $41,690 of the placement.

7. SHARE CAPITAL (CONTINUED)

iii) On April 25, 2023, the Company completed the first tranche of a non-brokered private placement (the "FT Unit Offering") consisting of 856,682 flow-through units (each, a "FT Unit") priced at $0.33 for gross proceeds of $282,705. Each FT Unit is comprised of one flow-through common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the FT Unit Offering was allocated to the warrants. Finder's fees of $7,989 and 24,210 finder's warrants with a fair value of $1,975 exercisable into common shares at $0.40 for a two year term were paid on $133,155 of the placement. One member of key management personnel of the Company purchased a total of 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders. The Company recorded a flow-through premium liability of $94,235 (Note 9).

The proceeds of the FT Unit Offering are to be used to incur eligible "Canadian Exploration Expenses" that are Qualifying Expenses within the meaning of the Tax Act for FT shares. The Company is committed to renounce $282,697 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024.

iv) On May 4, 2023, the Company completed a non-brokered private placement (the "Charity FT Unit Offering") consisting of 2,772,727 charity flow-through units (each, a "CFT Unit") of the Company priced at $0.352 for gross proceeds of $976,000. Each CFT Unit is comprised of one flow-through common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the Charity FT Unit Offering was allocated to the warrants. The Company recorded a flow-through premium liability of $366,000 (Note 9).

The proceeds of the Charity FT Unit Offering are to be used to incur eligible "Canadian Exploration Expenses" that are Qualifying Expenses within the meaning of the Tax Act. The Company is committed to renounce $975,972 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024. During the year ended December 31, 2023, the Company incurred $695,057 in Qualifying Expenses and recognized $260,654 in flow-through share premium income.

v) On May 5, 2023, the Company completed the third tranche of the Unit Offering consisting of 288,500 Units priced at $0.22 for gross proceeds of $63,470. $Nil of the Unit Offering was allocated to the warrants. Finder's fees of $1,398 and 2,400 finder's warrants with a fair value of $197 exercisable into common shares at $0.40 for a two year term were paid on $13,420 of the placement. One director and member of key management of the Company purchased a total of 80,000 Units for total proceeds of $17,600. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

vi) On May 5, 2023, the Company completed the second tranche of the FT Unit Offering consisting of 100,000 FT Units priced at $0.33 for gross proceeds of $33,000. $Nil of the FT Unit Offering was allocated to the warrants. One member of key management personnel of the Company purchased a total of 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders. The Company recorded a flow-through premium liability of $11,000 (Note 9).

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (CONTINUED)

The proceeds of the FT Unit Offering are to be used to incur eligible "Canadian Exploration Expenses" that are Qualifying Expenses within the meaning of the Tax Act for FT shares. The Company is committed to renounce $32,999 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024.

vii) On July 10, 2023, the Company completed the fourth tranche of the Unit Offering consisting of 43,600 Units priced at $0.22 for gross proceeds of $9,592. $Nil of the Unit Offering was allocated to the warrants. Finder's fees of $180 and 816 finder's warrants with a fair value of $254 exercisable into common shares at $0.40 for a two year term were paid on $2,992 of the placement.

The Company issued the following common shares during the year ended December 31, 2022:

viii) On January 14, 2022, the Company raised gross proceeds of $212,200 by way of a non-brokered private placement of 1,061,000 common shares priced at $0.20.

b) Share-Based Payment Reserves

	December 31, 2023 $	December 31, 2022 $
Fair value of stock options granted or vested	278,053	233,538
Reserves	278,053	233,538

c) Share Purchase Warrants

A summary of the Company's share purchase warrants at December 31, 2023 and 2022 and the changes for the years then ended is presented below:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2021 and 2022	-	-
Issue of warrants	4,563,200	$0.40
Balance at December 31, 2023	4,563,200	-

On March 31, 2023, the Company issued 1,225,000 warrants and 48,900 broker warrants exercisable at $0.40 per share for a two-year term pursuant to the private placement described in Note 7(a)(i).

On April 25, 2023, the Company issued 1,648,091 warrants and 35,580 broker warrants exercisable at $0.40 per share for a two-year term pursuant to the private placements described in Notes 7(a)(ii) and 7(a)(iii).

On May 4, 2023, the Company issued 1,386,363 warrants exercisable at $0.40 per share for a two-year term pursuant to the private placement described in Note 7(a)(iv).

On May 5, 2023, the Company issued 194,250 warrants and 2,400 broker warrants exercisable at $0.40 per share for a two-year term pursuant to the private placements described in Notes 7(a)(v) and 7(a)(vi).

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (CONTINUED)

c) Share Purchase Warrants (continued)

On July 10, 2023, the Company issued 21,800 warrants and 816 broker warrants exercisable at $0.40 per share for a two-year term pursuant to the private placement described in Note 7(a)(vii).

Number of Warrants Outstanding			
December 31, 2023	**December 31, 2022**	**Exercise Price per Share**	**Expiry Date**
1,273,900	-	$0.40	March 31, 2025
1,683,671	-	$0.40	April 25, 2025
1,386,363	-	$0.40	May 4, 2025
196,650	-	$0.40	May 5, 2025
22,616	-	$0.40	July 10, 2025
4,563,200			

The weighted average remaining contractual life of warrants outstanding at December 31, 2023 was 3.31 years (December 31, 2022: nil years).

d) Escrow Shares

On October 12, 2023, the Company entered into an escrow agreement under which 17,887,000 common shares would be held in escrow and are scheduled for release as follows: 10% on the date the shares are listed on a Canadian exchange (the "listing date", October 25, 2023) and 15% will be released in 6, 12, 18, 24, 30 and 36 months thereafter.

As at December 31, 2023, the Company held 16,098,300 shares in escrow.

8. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has a Stock Option Plan dated November 15, 2021 (the "Plan"). The Plan provided for the issuance, from time to time, of options to acquire common shares of the Company ("Shares") in number equal to a maximum of 15% of the then issued and outstanding shares of the Company until it became a reporting issuer on October 25, 2023 upon listing on the Canadian Securities Exchange following which the maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company's issued share capital from time-to-time. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees, subject to the price restrictions and other requirements under the Plan. Options granted under the Plan are subject to vesting terms determined by the Board.

(Expressed in Canadian Dollars)

8. SHARE-BASED PAYMENTS (CONTINUED)

a) Option Plan Details (continued)

A summary of the Company's stock options at December 31, 2023 and 2022 and the changes for the years then ended is presented below:

	December 31, 2023		**December 31, 2022**	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	2,550,000	$0.11	2,350,000	$0.10
Granted	250,000	$0.22	350,000	$0.20
Cancelled	-	-	(150,000)	$0.10
Ending balance	2,800,000	$0.12	2,550,000	$0.11

On April 1, 2022, the Company granted 150,000 stock options exercisable at $0.20 per share for a five year term to a consultant of the Company. The options vested immediately.

On November 16, 2022, the Company granted 200,000 stock options exercisable at $0.20 per share for a five year term to consultants of the Company. The options vested immediately.

On June 1, 2023, the Company granted 250,000 stock options exercisable at $0.22 per share for a five year term to a director and an employee of the Company. The options vested immediately.

Details of stock options outstanding and exercisable as at December 31, 2023 and 2022 are as follows:

Expiry Date	**Exercise Price**	**December 31, 2023**	**December 31, 2022**	**Weighted Average Remaining Contractual Life (Years)**
November 15, 2026	$0.10	2,200,000(1)	2,200,000	2.88
April 1, 2027	$0.20	150,000	150,000	3.25
November 16, 2027	$0.20	200,000	200,000	3.88
June 30, 2028	$0.22	250,000	-	4.42
		2,800,000	2,550,000	3.11

(1) 25,000 stock options were cancelled subsequent to year-end on March 21, 2024.

The weighted average remaining contractual life of stock options outstanding at December 31, 2023 was 3.11 years (December 31, 2022: 3.98 years).

(Expressed in Canadian Dollars)

8. SHARE-BASED PAYMENTS (CONTINUED)

b) Fair Value of Options Issued During the Years Ended

The weighted average fair value at grant date of options granted during the year ended December 31, 2023 was $0.15 per option (2022: $0.15 per option). The total fair value of options granted during the year was $37,307 (2022: $53,246, of which $22,764 was capitalized to E&E Assets). The fair value was determined using the Black-Scholes option pricing model using the following assumptions:

	2023	2022
Expected stock price volatility	100%	101%
Risk-free interest rate	3.28%	1.56%
Dividend yield	-	-
Expected life of options	5 years	5 years
Stock price on date of grant	$0.22	$0.20
Forfeiture rate	-	-

9. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the liability portion of the flow-through share issuances:

	$
Balance at December 31, 2021 and 2022	-
Flow-through share premium liability	471,235
Settlement of flow-through share premium liability pursuant to qualified expenditures	(260,654)
Balance at December 31, 2023	210,581

As a result of the issuances of flow-through shares on April 25, 2023, May 4, 2023 and May 5, 2023, the Company had a commitment to incur $1,291,668 in qualifying Canadian exploration expenditures on or before December 31, 2024. As of December 31, 2023, the remaining commitment was $596,611.

10. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2023	2022
Statutory tax rate	27%	27%
	$	$
Net loss for the year	(237,504)	(258,879)
Income tax (recovery) at combined statutory rate	(64,126)	(69,897)
Non-deductible expenses and other items	(31,268)	8,735
Flow through shares impact	187,665	-
Share issue costs and other	(10,317)	(1,749)
Change in unrecognized deferred tax assets	(81,954)	62,911
Income tax expense	-	-

(Expressed in Canadian Dollars)

10. INCOME TAXES (CONTINUED)

As at December 31, 2023 and 2022, the deductible temporary differences and unused tax losses for which no deferred tax asset has been recognized are as follows:

	2023	2022
Exploration and evaluation assets	(186,562)	-
Non-capital loss carry-forwards	203,096	104,941
Share issuance costs	11,856	5,403
Total	28,390	110,344
Unrecognized	(28,390)	(110,344)
	-	-

As at December 31, 2023, the Company has available for deduction against future taxable income non-capital losses of approximately $752,200 in Canada, which will expire between 2040 and 2043. As at December 31, 2023, the Company has non-capital losses of approximately $96,600 to reduce future taxable income in the United States with an indefinite expiry period.

11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are persons or entities that have control, joint control or significant influence over the Company, or who are members of key management personnel of the Company.

a) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company. Key management personnel compensation is comprised of the following:

	2023 $	2022 $
Short-term employee benefits and director fees	209,000	159,600
Share-based payments	22,384	-
	231,384	159,600

The Company has entered into a Management Agreement with the Chairman, President and Chief Executive Officer (the "CEO") effective January 1, 2022 for no fixed term. As compensation for the services to be provided, the CEO will receive a monthly fee of $10,800 with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause within twelve months of the effective date; (ii) six months of compensation plus an additional one month for each completed year of service up to a maximum of twelve months in the event the Company terminates the Agreement without Cause after twelve months of the effective date; (iii) twelve times the monthly compensation in the event the CEO resigns for Good Cause during the first two years of the Agreement; (iv) eighteen times the monthly compensation if the CEO resigns for Good Cause during the third or any subsequent year of the Agreement; and (v) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CEO resigns with or without Good Cause, within twelve months following a change of control of the Company. In the event the CEO participates in activities that lead to (i) the sale of any of the Company's exploration properties or the creation of a new or spin-off company, he will be awarded a

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

a) Key Management Compensation (continued)

Special Bonus in the amount of 0.5% of the sale of any of the Company's exploration properties or the creation of a new or spin-off company; and (ii) a corporate transaction involving a sale of the Company or more than 50% of the Company's issued and outstanding common shares, he will be awarded a Special Bonus of 0.2% of the consideration up to $50 million of consideration received, and 0.1% of additional value beyond that $50 million level. During the year ended December 31, 2023, the Company recorded $129,600 (2022: $129,600) in fees payable to the CEO, of which $83,160 (2022: $93,312) was capitalized to Exploration and Evaluation Assets in the Consolidated Statement of Financial Position, $nil (2022: $13,608) was expensed to general exploration and $46,440 (2022: $22,680) was expensed to Management in the Consolidated Statement of Loss.

The Company has entered into an Employment Agreement with the Chief Financial Officer and Corporate Secretary (the "CFO") effective June 1, 2023 for no fixed term. As compensation for the services to be provided, the CFO will receive a monthly salary of $6,700 with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause; (ii) three months of compensation in the event the CFO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CFO resigns with or without Good Cause, within twelve months following a change of control of the Company. This Employment Agreement supersedes an Employment Agreement dated January 1, 2022 for the CFO to provide services for compensation of a monthly salary of $2,500. During the year ended December 31, 2023, the Company recorded $59,400 (2022: $30,000) in fees payable to the CFO, of which $29,700 (2022: $15,000) was expensed to Management and $29,700 (2022: $15,000) was expensed to Salaries and Benefits in the Consolidated Statement of Loss.

The Company has approved the payment of a director's fee of $1,000 per month to each of three directors and $2,000 per month to a director and chair of the audit committee, effective September 1, 2023. During the year ended December 31, 2023, the Company recorded $20,000 (2022: $nil) in director fees which were expensed to Management in the Consolidated Statement of Loss.

b) Service Agreement

During the year ended December 31, 2022, the Company recorded $30,000 in strategic consulting fees payable to NewQuest pursuant to a Contract for Services for a six month term from January 1, 2022 to June 30, 2022 for compensation of $5,000 per month.

c) Private Placements

In connection with the private placement that closed on January 14, 2022, a director and member of key management of the Company purchased a total of 50,000 common shares for total proceeds of $10,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

c) Private Placements (continued)

In connection with the private placement that closed on March 31, 2023, a director and member of key management of the Company purchased a total of 100,000 Units for total proceeds of $22,000, and an insider purchased a total of 200,000 Units for total proceeds of $44,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on April 25, 2023, a director and member of key management of the Company purchased a total of 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

In connection with the private placements that closed on May 5, 2023, insiders of the Company purchased a total of 80,000 Units for total proceeds of $17,600 and 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

d) Due to Related Party

As at December 31, 2023, the Company has $1,491 (December 31, 2022: $130,218) due to related parties which consists of amounts owed to a director and significant shareholder for salaries and expense reimbursements, which is due on demand, unsecured and is non-interest bearing.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair values

The Company's financial instruments include cash, restricted cash, reclamation bonds and trade and other payables.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

	December 31, 2023		December 31, 2022	
	Fair Value $	Carrying Value $	Fair Value $	Carrying Value $
FVTPL assets (i)	989,383	989,383	289,606	289,606
Amortized cost assets (ii)	120,000	120,000	-	-
Amortized cost liabilities (iii)	63,208	63,208	229,970	229,970

(i) Cash and restricted cash
(ii) Reclamation bonds
(iii) Trade and other payables

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at December 31, 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Cash and restricted cash	289,606	-	-	

As at December 31, 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Cash and restricted cash	989,383	-	-	

The Company believes the recorded values of all other financial instruments approximate their current fair values because of their short-term nature and respective maturity dates.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of cash represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash with chartered Canadian financial institutions. The Company owns restricted cash of $20,763 which consists of a savings account held by a financial institution as security against a Company credit card. The Company also owns cash reclamation bond deposits of $120,000 held by the Province of British Columbia. The Company believes that the credit risk of default for these assets is low. As at December 31, 2023, the Company has no financial assets that are past due or impaired due to credit risk defaults. The Company's management of credit risk has not changed during the year ended December 31, 2023, from that of the prior year.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's financial liabilities consist of its trade and other payables. The Company has a working capital surplus of $781,535 as at December 31, 2023 and does not require additional financing to meet its current obligations. The Company handles its liquidity risk through the management of its capital structure as described in Note 13. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms. The Company's management of liquidity risk has not changed during the year ended December 31, 2023, from that of the prior year.

The following are the contractual maturities of financial liabilities as at December 31, 2023:

	Carrying Amount $	Contractual Cash Flows $	Within 1 year $	Within 2 years $	Within 3 years $	Over 3 years $
Trade and other payables	63,208	63,208	63,208	-	-	-

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk, currency risk and other price risk. The Company is not exposed to significant interest rate risk as the Company has no interest bearing debt. The Company does not hold any equity securities; as such, the Company is not exposed to material other price risk. The Company's management of market risk has not changed during the year ended December 31, 2023, from that of the prior year.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. A portion of the Company's exploration property expenditures are intended to be incurred in United States dollars. A change in the foreign exchange rate as at December 31, 2023 of +/- 10% would have an impact of $6,272 on profit or loss.

13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can support continued development of its E&E Assets, pursue the acquisition and exploration of other mineral interests, and maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

The Company considers items included in Equity to be capital, which totalled $2,824,499 at December 31, 2023 (December 31, 2022: $1,091,347). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, option its properties for cash from optionees, enter into joint venture arrangements, return capital to its shareholders or adjust the amount of cash.

14. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with all current exploration activities being conducted in both Canada and the United States:

	December 31, 2023			**December 31, 2022**		
	Canada $	**USA $**	**Total $**	**Canada $**	**USA $**	**Total $**
Current assets	1,035,054	20,270	1,055,324	293,896	11,152	305,048
Reclamation bonds	120,000	-	120,000	-	-	-
Equipment	2,254	-	2,254	883	-	883
Exploration and evaluation assets	1,281,909	638,801	1,920,710	483,195	532,191	1,015,386
Total assets	2,439,217	659,071	3,098,288	777,974	543,343	1,321,317
Total liabilities	273,359	430	273,789	210,792	19,178	229,970

15. SUBSEQUENT EVENTS

a) Scraper Springs Mineral and Surface Estate Agreement

The Company has entered into an Exploration Lease and Option to Purchase Agreement (the "Agreement") with an arm's length party effective February 27, 2024 (the "Effective Date") under which the Company is granted exclusive mineral and surface rights to certain private lands (the "Property") within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property for US$2,375,000, for the following consideration:

i) US$5,000 (paid) upon signing the letter of intent on August 28, 2023;

ii) US$5,000 (paid) upon signing the definitive agreement on February 27, 2024;

iii) Annual lease payments of US$5,000 on the first anniversary and each anniversary of the Effective Date to and including the ninth anniversary of the Effective Date, to be increased by US$1,000 annually beginning on the second anniversary of the Effective Date;

iv) Annual lease payments of US$20,000 on the tenth anniversary and each anniversary of the Effective Date to and including the twentieth anniversary of the Effective Date, to be increased by US$2,500 annually beginning on the eleventh anniversary of the Effective Date;

v) Annual lease payments of US$40,000 on the twenty-first anniversary and each succeeding anniversary of the Effective Date until the thirtieth anniversary of the Effective Date on which the Agreement expires, to be increased by US$5,000 annually beginning on the twenty-second anniversary of the Effective Date;

vi) Surface disturbance fee of US$250 per acre per year for each acre of disturbed and unreclaimed surface of the Property, with the fee increasing by US$100 per acre per year beginning on the fifth anniversary of the Effective Date; and

vii) Net smelter return ("NSR") royalty of 4.0% which the Company may purchase the first 2.0% for US$500,000 and the second 2.0% for US$1,000,000 at any time prior to commercial production.

SCHEDULE B: MANAGEMENT DISCUSSION AND ANALYSIS

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RED CANYON RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

This report ("Management's Discussion and Analysis") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in financial condition between December 31, 2023 and December 31, 2022 and results of operations for the years ended December 31, 2023 and 2022, as well as forward-looking statements relating to the potential future performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below. This Management's Discussion and Analysis has been prepared as of **April 25, 2024** ("Report Date"). This Management's Discussion and Analysis is intended to supplement and complement the audited consolidated financial statements and notes thereto for the years ended December 31, 2023 and 2022 (collectively the "Financial Statements"). You are encouraged to review the Financial Statements in conjunction with your review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein.

1. CORE BUSINESS

Red Canyon Resources Ltd. ("Red Canyon" or the "Company") was incorporated on October 2, 2020 under the laws of British Columbia. The Company's principal business activities include the acquisition and exploration of mineral property assets in North America. The address of the Company's corporate office and its principal place of business is Suite 1210 – 1130 West Pender Street, Vancouver, British Columbia, Canada. The Company's shares were approved for trading on the Canadian Securities Exchange ("CSE") under the symbol "REDC" on October 25, 2023.

The Company has one wholly owned subsidiary: RC Metals Inc. The accounts of the subsidiary are consolidated with the Company.

The Company is focused on mineral exploration in British Columbia and the western United States. As of December 31, 2023, the Company held 100% interest in five copper related properties in British Columbia, a copper-gold-molybdenum property in Nevada, and a copper-gold property in Utah as follows:

- British Columbia – **Peak** (Cariboo Regional District), **SP** (Cariboo Regional District), **Kendal** (Kitimat-Stikine Regional District), **Ping** (Fraser-Fort George Regional District), **Cooper** (Cariboo Regional District);
- Nevada – **Scraper Springs** (Elko County); and
- Utah – **Keg** (Juab County).

See Section 7.1 "Exploration and Evaluation Activities" below for a description of the properties and the work programs.

2. FINANCIAL CONDITION

As at December 31, 2023, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a net loss of $237,504 for the year ended December 31, 2023 (2022: $258,879) and, as of that date, the Company had an accumulated deficit of $840,682. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company had a working capital surplus of $781,535 at December 31, 2023 (December 31, 2022: $75,078) which includes a flow-through premium liability of $210,581 that will be settled when the Company incurs eligible "Canadian Exploration Expenses" ("CEE") that are Qualifying Expenses within the meaning of the Tax Act for flow-through ("FT") shares.

Cash was $968,620 at December 31, 2023 (December 31, 2022: $269,396). Restricted cash was $20,763 at December 31, 2023 (December 31, 2022: $20,210) and consists of a savings account held at a financial institution as security against a company credit card. The Company's sources and uses of cash are discussed in Section 4 "Cash Flows" below.

Amounts and other receivable of $46,013 at December 31, 2023 (December 31, 2022: $11,868) mainly consist of GST input tax credits.

Prepaid expenses of $19,928 at December 31, 2023 (December 31, 2022: $3,296) include normal operating expenses.

Reclamation bonds of $120,000 at December 31, 2023 (December 31, 2022: $nil) held by the Province of British Columbia in connection with the Peak, Kendal, Ping and SP projects are returnable to the Company only after the government agencies are satisfied that there is no outstanding reclamation liability associated with the land.

Equipment of $2,254 at December 31, 2023 (December 31, 2022: $883) consists of computer and field equipment.

Exploration and evaluation assets of $1,920,710 at December 31, 2023 (December 31, 2022: $1,015,386) consist of acquisition and exploration expenditures on the Company's mineral properties and are discussed in Section 7 "Exploration and Evaluation Activities" below.

Trade and other payables were $63,208 at December 31, 2023 (December 31, 2022: $229,970). Trade and other payables are unsecured and are usually paid within 30 days of recognition. Included in trade and other payables is $1,491 (December 31, 2022: $130,218) due to related parties which consists of amounts owed to a director and a significant shareholder for salary and expense reimbursements.

During the year ended December 31, 2023, the Company raised gross proceeds of $1,291,705 through FT unit offerings (the "FT Unit Offerings") that are to be used to incur eligible CEE that are Qualifying Expenses within the meaning of the Tax Act for FT shares. The Company is committed to renounce $1,291,668 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024.

The Company recorded aggregate flow-through premium liability of $471,235 on the FT Unit Offerings which will be settled when the Company incurs the CEE. During the year ended December 31, 2023, the Company incurred $695,057 in Qualifying Expenses and recognized $260,654 in FT share premium income. As at December 31, 2023, the Company had a remaining commitment to incur $596,611 in Qualifying Expenses and the remaining flow-through premium liability was $210,581.

3. FINANCIAL PERFORMANCE

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with current exploration activities being conducted in both Canada and the United States.

Because the Company is in the exploration stage, it did not earn any revenue from production and its expenses relate to the costs of operating a private company of its size until its listing on the CSE in October 2023, following which its operating expenses increased. Net loss for the year ended December 31, 2023 was $237,504 and comprehensive loss after cumulative translation adjustment was $235,166 or $0.01 per share, compared to a net loss of $258,879 and comprehensive loss of $261,486 for the year ended December 31, 2022 or $0.01 per share. Net loss for the three months ended December 31, 2023 was $19,454 and comprehensive loss after cumulative translation adjustment was $16,926 or $0.00 per share, compared to a net loss of $134,834 and comprehensive loss of $135,084 for the three months ended December 31, 2022 or $0.01 per share.

3.1 Total expenses for the year ended December 31, 2023

Total expenses for the year ended December 31, 2023 were $477,558 compared to total expenses of $298,437 for the year ended December 31, 2022.

Accounting and audit fees were $47,308 for the year ended December 31, 2023 compared to $56,351 in expenses recorded in the 2022 comparative period, and include accounting, audit, review, administrative fees and tax return preparation.

Employee costs were $237,531 for the year ended December 31, 2023 compared to $160,244 in employee costs recorded in the 2022 comparative year. Employee costs consist of consulting fees, management, salaries and benefits and share-based payments. The following is a breakdown of material components of the Company's employee costs for the year ended December 31, 2023 and 2022.

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Consulting fees	642	30,164
Management	98,601	38,937
Salaries and benefits	100,981	60,661
Share-based payments	37,307	30,482
	237,531	160,244

Consulting fees include payments for administrative and corporate services and advisors. During the year ended December 31, 2022, NewQuest Capital Inc. ("NewQuest", a significant shareholder of the Company) was paid $30,000 in strategic consulting fees (see Section 12 "Transactions Between Related Parties" below).

Management expenses consist of salary allocations paid to the CEO and CFO of the Company as well as director's fees effective September 1, 2023. Management fees increased during the 2023 financial period in support of the Company's growing operations.

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Salaries and benefits increased during the 2023 financial year in support of the Company's growing operations.

Share-based payments of $37,307 for the year ended December 31, 2023 represent 250,000 stock options granted and vested during the year. During the year ended December 31, 2022, 350,000 stock options were granted and vested, of which $30,482 was expensed to share-based payments and $22,764 was capitalized to exploration and evaluation assets.

Depreciation expense on computer and field equipment was $481 for the year ended December 31, 2023 (2022: $378).

Filing fees were $40,648 for the year ended December 31, 2023 compared to $2,487 in filing fees recorded for the 2022 comparative year and consist of costs related to the Company's non-offering prospectus, CSE listing application, annual corporate filings, reports of exempt distribution and Form D for share issuances.

General exploration expenses were $37,536 for the year ended December 31, 2023 compared to $55,999 in general exploration expenses recorded for the 2022 comparative year. General exploration expenses include project generation costs.

Investor communication expenses were $11,204 for the year ended December 31, 2023 compared to $542 in expenses incurred during the 2022 comparative year, and consist of advertising, attendance at trade shows and conferences, news releases, website maintenance and transfer agent fees.

Legal fees were $57,857 for the year ended December 31, 2023 compared to $1,384 in legal fees recorded for the 2022 comparative year. Legal fees of $52,538 were incurred in connection with the Company's non-offering prospectus and CSE listing application, and the balance relates to general corporate and commercial matters.

Office expenses were $35,905 for the year ended December 31, 2023 compared to $18,731 in expenses recorded for the 2022 comparative year. Office expenses increased to support the Company's active and growing operations, including sublease of office space effective September 1, 2022. The following is a breakdown of the Company's office expenses for the year ended December 31, 2023 and 2022.

	Year ended December 31, 2023 $	**Year ended December 31, 2022 $**
Bank charges and interest	1,431	888
Insurance	2,726	-
IT and web	6,530	4,499
Meals and entertainment	3,691	3,736
Office supplies and expenses	5,551	4,928
Rent	14,500	4,000
Telephone	1,476	680
	35,905	18,731

Travel expenses were $9,088 for the year ended December 31, 2023 compared to $2,321 in expenses recorded for the 2022 comparative year. Travel includes attendance at trade shows and conferences.

3.2 Total other income and expenses for the year ended December 31, 2023

FT share premium income of $260,654 (2022: $nil) was recognized during the year ended December 31, 2023 upon incurrence of $695,057 of eligible CEE. Finance income of $34,489 recorded during the year ended December 31, 2023 (2022: $3,477) consists of bank interest. Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary. Impairment expense of $34,070 was recorded on the Hatter property during the year ended December 31, 2023 compared to impairment expense of $3,549 recorded on the Lou property during the 2022 comparative year.

3.3 Total expenses for the three months ended December 31, 2023

Total expenses for the three months ended December 31, 2023 were $147,616 compared to total expenses of $125,306 for the 2022 comparative period.

Employee costs were $59,091 for the three months ended December 31, 2023 compared to $59,646 in employee costs recorded in the 2022 comparative period. Employee costs consist of consulting fees, management, salaries and benefits and share-based payments. The following is a breakdown of material components of the Company's employee costs for the periods ended December 31, 2023 and 2022.

	Three months ended December 31, 2023 $	Three months ended December 31, 2022 $
Consulting fees	-	173
Management	30,288	12,129
Salaries and benefits	28,803	16,862
Share-based payments	-	30,482
	59,091	59,646

Consulting fees include payments for administrative services.

Management expenses consist of salary allocations paid to the CEO and CFO of the Company as well as director's fees effective September 1, 2023. Management fees increased during the 2023 financial period in support of the Company's growing operations. (See Section 12 "Transactions Between Related Parties" below).

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Salaries and benefits increased during the 2023 financial period in support of the Company's growing operations.

During the three months ended December 31, 2022, 350,000 stock options were granted and vested, of which $30,482 was expensed to share-based payments and $22,764 was capitalized to exploration and evaluation assets.

Depreciation expense on computer and field equipment was $159 for the three months ended December 31, 2023 (2022: $94).

Filing fees were $13,268 for the three months ended December 31, 2023 compared to $1,737 in filing fees recorded for the 2022 comparative period and consist of costs related to the Company's non-offering prospectus, CSE listing application, CSE listing fees and annual corporate filings.

General exploration expenses were $5,920 for the three months ended December 31, 2023 compared to $6,626 in general exploration expenses recorded for the 2022 comparative period. General exploration expenses include project generation costs.

Investor communication expenses were $7,347 for the three months ended December 31, 2023 compared to $41 in expenses incurred during the 2022 comparative period, and consist of advertising, news releases, transfer agent and website maintenance.

Legal fees were $16,299 for the three months ended December 31, 2023 compared to $398 in legal fees recorded for the 2022 comparative period. Legal fees were incurred in connection with the Company's non-offering prospectus and CSE listing application, and the balance relates to general corporate and commercial matters.

Office expenses were $13,657 for the three months ended December 31, 2023 compared to $6,523 in expenses recorded for the 2022 comparative period. The following is a breakdown of the Company's office expenses for the periods ended December 31, 2023 and 2022.

	Three months ended December 31, 2023 $	**Three months ended December 31, 2022 $**
Bank charges and interest	126	18
Insurance	2,726	-
IT and web	1,546	1,381
Meals and entertainment	1,758	612
Office supplies and expenses	1,574	1,173
Rent	5,500	3,000
Telephone	427	339
	13,657	6,523

3.4 Total other income and expenses for the three months ended December 31, 2023

FT share premium income of $175,192 (2022: $nil) was recognized during the three months ended December 31, 2023 upon incurrence of $467,166 of eligible CEE. Finance income of $8,827 recorded during the three months ended December 31, 2023 (2022: $1,143) consists of bank interest. Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary. Impairment expense of $34,070 was recorded on the Hatter property during the three months ended December 31, 2023 compared to impairment expense of $3,549 recorded on the Lou property during the 2022 comparative period.

4. CASH FLOWS

The Company is in the exploration and evaluation stage and as such does not earn any revenue from production. Total cash used in operating activities was $534,834 for the year ended December 31, 2023 compared to cash used of $176,325 during the 2022 comparative year. The Company incurred net loss of $237,504 with adjustments to add back items not involving cash (depreciation, foreign exchange, share-based payments, flow-through share premium income and impairment) and adjustments for non-cash working capital items (amounts receivable, prepaid expenses, trade and other payables) to calculate the cash used in operating activities.

Total cash flows used in investing activities was $1,167,462 during the year ended December 31, 2023 (2022: $444,721) and consist of expenditures of $1,045,610 (2022: $444,721) on exploration and evaluation assets, a reclamation bond deposit of $120,000 and $1,852 in purchase of equipment.

Total cash flows provided by financing activities was $2,402,524 during the year ended December 31, 2023 and include $2,440,457 in proceeds from share issuances less $37,933 in share issuance costs. Cash flows provided by financing activities were $119,722 for the 2022 comparative year and consisted of $120,000 in proceeds from share issuances less $278 in share issuance costs.

5. SELECTED ANNUAL INFORMATION

The table below presents selected financial data for the Company's annual financial statements for each of the three most recently completed financial years. The financial data provided is prepared in accordance with IFRS and is presented in Canadian dollars.

	December 31, 2023 $	December 31, 2022 $	December 31, 2021 $
Total revenue	-	-	-
Net loss for the period	(237,504)	(258,879)	(340,478)
Comprehensive loss for the period	(235,166)	(261,486)	(340,777)
Loss per share, basic	(0.01)	(0.01)	(0.02)
Loss per share, diluted	(0.01)	(0.01)	(0.02)
Total assets	3,098,288	1,321,317	1,255,801
Total long term liabilities	-	-	-
Cash dividend declared per share	-	-	-

During the year ended December 31, 2021, the Company realized a net loss of $340,478 in the Company's first full year of operations. Employee costs totalled $287,213 which includes $102,000 in strategic consulting fees paid to NewQuest Capital Inc. ("NewQuest", a significant shareholder of the Company with certain directors in common) and $164,948 in share-based payments for the grant of 2,150,000 stock options to directors, officers, employees and consultants of the Company. A further 200,000 stock options were granted to geological consultants and the fair value of $15,344 was capitalized to exploration and evaluation assets.

During the year ended December 31, 2022, the Company realized a net loss of $258,879. Employee costs totalled $160,244 which includes $30,000 in strategic consulting fees paid to NewQuest and $30,482 in share-based payments for the grant of 200,000 stock options to consultants of the Company. A further 150,000 stock options were granted to a geological consultant and the fair value of $22,764 was capitalized to exploration and evaluation assets.

During the year ended December 31, 2023, the Company realized a net loss of $237,504, which is comparable to the previous year's loss. Employee costs totalled $237,531 which includes $37,307 in share-based payments for the grant of 250,000 stock options to a director and an employee of the Company. Employee costs increased in general to support the Company's development into a public company with active exploration programs. Legal fees and filing fees were also incurred in connection with the Company's prospectus filing and listing application. FT share premium income of $260,654 was recognized upon incurring qualifying exploration expenditures.

Comprehensive loss includes cumulative translation adjustments on the translation of the US functional currency subsidiary into the presentation currency.

During the 2021 financial year, the Company raised gross proceeds of $1,251,641 from private placements and warrant exercises and received gross subscription receipts of $92,200 for a private placement that closed in January 2022. The Company's mineral property acquisition and exploration activities during the year contributed to the $456,862 in exploration and evaluation assets at December 31, 2021.

During the 2022 financial year, the Company raised gross proceeds of $212,200 from private placements. The Company's mineral property acquisition and exploration activities during the year contributed to the $1,015,386 in exploration and evaluation assets at December 31, 2022.

During the 2023 financial year, the Company raised gross proceeds of $1,969,222 from private placements. The Company's mineral property acquisition and exploration activities during the year contributed to the $1,920,710 in exploration and evaluation assets at December 31, 2023.

6. MAJOR OPERATING MILESTONES

6.1 Period from January 1 to December 31, 2023

In January 2023, the Company expanded the Ping property by staking an additional mineral claim totalling 606 hectares.

On March 31, 2023, the Company raised gross proceeds of $539,000 through the issuance of 2,450,000 units priced at $0.22 (each, a "Unit"). Each Unit is comprised of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the Units was allocated to the warrants. Finder's fees of $10,758 and 48,900 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing.

On April 25, 2023, the Company raised gross proceeds of $536,690 through the issuance of 2,439,500 Units priced at $0.22. $Nil of the Units was allocated to the warrants. Finder's fees of $2,501 and 11,370 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing.

On April 25, 2023, the Company raised gross proceeds of $282,705 through the issuance of 856,682 FT units priced at $0.33 (each, a "FT Unit"). Each FT Unit is comprised of one FT common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the FT Units was allocated to the warrants. Finder's fees of $7,989 and 24,210 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing. The Company recorded a FT premium liability of $94,235.

The FT proceeds are intended to be used to incur eligible CEE that are Qualifying Expenses within the meaning of the Tax Act for FT shares.

On May 4, 2023, the Company raised gross proceeds of $976,000 through the issuance of 2,772,727 charity flow-through units priced at $0.352 (each, a "CFT Unit"). Each CFT Unit is comprised of one FT common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the CFT Units was allocated to the warrants. The Company recorded a FT premium liability of $366,000.

In connection with the CFT Unit Offering closed on May 4, 2023, the Company is committed to renounce $975,972 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024. During the year ended December 31, 2023, the Company incurred $695,057 in Qualifying Expenses and recognized $260,654 in FT share premium income.

On May 5, 2023, the Company raised gross proceeds of $63,470 through the issuance of 288,500 Units priced at $0.22. $Nil of the Units was allocated to the warrants. Finder's fees of $1,398 and 2,400 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing.

On May 5, 2023, the Company raised gross proceeds of $33,000 through the issuance of 100,000 FT Units priced at $0.33. $Nil of the FT Units was allocated to the warrants. The Company recorded a FT premium liability of $11,000.

In connection with the FT Unit Offering closed on April 25, 2023 and May 5, 2023, the Company is committed to renounce $315,696 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024.

In May 2023, the Company expanded the Peak property by staking an additional three mineral claims totalling 1,086 hectares.

On June 1, 2023, Lauren Roberts was appointed as a director of the Company to replace Tero Kosonen, who resigned from the role and transitioned to a corporate advisor to the Company.

On June 1, 2023, 250,000 stock options exercisable at $0.22 per share for a five year term were granted to a director and an employee. The options vested immediately.

In June 2023, the Company received a Mines Act permit to conduct exploration activities on the Kendal project.

On July 10, 2023, the Company raised gross proceeds of $9,592 through the issuance of 43,600 Units priced at $0.22. $Nil of the Units was allocated to the warrants. Finder's fees of $180 and 816 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing.

In July 2023, the Company received a Mines Act permit to conduct exploration activities on the Ping project.

On August 3, 2023, the Company acquired a 100% royalty free interest in the Cooper property by way of staking. Cooper is comprised of eight mineral claims totalling 5,445 hectares located in south central British Columbia, approximately 50 km northeast of the community of 100 Mile House.

In August 2023, the Company received Mines Act permits to conduct exploration activities on the Peak and SP projects.

From August to September 2023, Scott Geophysics Ltd. was engaged to complete a 17 line km pole-dipole Induced Polarization ("IP") geophysical survey on the Peak property.

During September 2023, Scott Geophysics Ltd. was engaged to complete three lines of (3.6 line-km) IP geophysical survey on the SP property.

On October 13, 2023, the British Columbia Securities Commission issued the final receipt for the Company's non-offering prospectus dated October 12, 2023.

On October 25, 2023, the Company's common shares began trading on the Canadian Securities Exchange under the symbol "REDC".

In October 2023, the Company conducted a first pass diamond drill program at its Ping South copper-gold project in central British Columbia, completing four diamond drill holes totalling 665 m.

In November 2023, the Company announced the results of a 17 line km IP geophysical survey at its Peak copper-gold project in central British Columbia.

In December 2023, the Company elected not to maintain the Hatter property and accordingly $3,236 in acquisition costs and $30,834 in exploration costs were written off during the year ended December 31, 2023. The three claims were forfeited in January and April 2024.

6.2 Period from January 1, 2024 to the Date of this Report

Effective February 27, 2024, the Company entered into an Exploration Lease and Option to Purchase Agreement with an arm's length party under which the Company is granted exclusive mineral and surface rights to certain private lands within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property.

On March 21, 2024, 25,000 stock options exercisable at $0.10 per share were cancelled.

7. Exploration and Evaluation Activities

7.1 Exploration and Evaluation Activities for the Year Ended December 31, 2023

The Company is in the mineral exploration stage and as such has no revenues. Mineral interests in the form of exploration and acquisition costs totalled $1,920,710 as at December 31, 2023 (December 31, 2022: $1,015,386).

Total costs incurred on exploration and evaluation assets for the year ended December 31, 2023 and 2022 are summarized as follows:

	British Columbia $	Nevada $	Utah $	Total $
Acquisition costs				
Balance, December 31, 2021	12,916	169,396	118,867	301,179
Additions	23,335	50,378	15,452	89,165
Impairment	(2,640)	-	-	(2,640)
Foreign exchange	-	13,474	8,739	22,213
Balance, December 31, 2022	33,611	233,248	143,058	409,917
Additions	12,490	45,176	15,874	73,540
Impairment	(3,236)	-	-	(3,236)
Foreign exchange	-	(6,157)	(3,599)	(9,756)
Balance, December 31, 2023	42,865	272,267	155,333	470,465
Exploration costs				
Balance, December 31, 2021	48,461	107,222	-	155,683
Additions				
Administration	22,764	-	-	22,764
Geology	204,923	26,331	117	231,371
Mapping and sampling	127,912	11,212	-	139,124
Project manager	43,254	1,436	-	44,690
Reports	17,717			17,717
BC Mineral Exploration Tax Credit	(14,538)	-	-	(14,538)
	402,032	38,979	117	441,128
Impairment	(909)	-	-	(909)
Foreign exchange	-	9,563	4	9,567
Balance, December 31, 2022	449,584	155,764	121	605,469

Additions				
Community relations	7,587	-	-	7,587
Drilling	388,123	5,525	-	393,648
Geology	146,935	29,178	9,079	185,192
Geophysics	162,307	-	-	162,307
Prospecting, mapping, sampling	71,050	-	-	71,050
Project manager	42,692	-	-	42,692
Reports	1,600	16,204	-	17,804
	820,294	50,907	9,079	880,280
Impairment	(30,834)	-	-	(30,834)
Foreign exchange	-	(4,527)	(143)	(4,670)
Balance, December 31, 2023	1,239,044	202,144	9,057	1,450,245
Total acquisition costs and exploration expenditures				
December 31, 2021	61,377	276,618	118,867	456,862
December 31, 2022	483,195	389,012	143,179	1,015,386
December 31, 2023	1,281,909	474,411	164,390	1,920,710

7.2 Peak (Cariboo Regional District, British Columbia)

As at December 31, 2023, Peak was comprised of 15 mineral claims totalling 6,718 hectares located in south central British Columbia, approximately 30 km northeast of Williams Lake. The Company acquired 14 of the claims by staking and one claim was purchased from an arm's length vendor for $575 and a 1% net smelter return ("NSR") royalty that the Company may purchase for $1,000,000 at any time.

During the year ended December 31, 2023, the Company expended $1,901 in acquisition costs (2022: $4,263) and $169,754 in exploration costs (2022: $260,469) on Peak which included prospecting and an IP geophysical survey program. During the year ended December 31, 2022, the Company received a British Columbia Mining Exploration Tax Credit ("METC") of $3,408 which reduced the carrying value of the Peak Property. As at December 31, 2023, total acquisition and exploration expenditures recorded on Peak was $450,669 (2022: $279,014).

About the Peak Property

The Peak property is located in the Cariboo region of southcentral British Columbia, approximately 30 km northeast of the City of Williams Lake. Peak is a large, 6,718-hectare, strategic land position situated in a copper district with active large scale mining operations and excellent infrastructure. The Project is located approximately 28 km southwest of the Mount Polley copper-gold mine and 20 km southeast of the Gibraltar copper-molybdenum mine.

A series of complex magnetic highs spanning over approximately 15 km of interpreted Quesnellia Island Arc Terrane have been identified using magnetic inversion modeling and are considered by the Company to be prospective for copper-gold. Project wide soil geochemistry has outlined anomalous areas of copper associated with magnetic features that may reflect the presence of porphyry-type intrusions in the bedrock. An IP geophysical survey, which focused on coincident magnetic features with elevated copper in soils, was completed by the Company in 2023. Four of the seven targets tested show IP chargeability highs coincident with elevated copper geochemistry and interpreted intrusion related magnetic features.

The Company's primary drill-ready target is at Peak Central, which represents an area of complex magnetic highs and lows associated with altered and mineralized porphyritic rocks. A 2011 IP survey at Peak Central outlined a large chargeability zone west of outcropping copper bearing porphyritic rocks, which has not been drill tested.

Additional information on the Peak project can be found in the NI 43-101 Technical Report dated May 1, 2023, as filed on SEDAR+ at www.sedarplus.ca.

2023 Work Program - Peak

Work completed during the year ended December 31, 2023 includes significant reprocessing of existing airborne and drone magnetic data completed to better characterize and prioritize magnetic anomalies, particularly in the area covered by the 2022 geochemical and geological work. These surveys were successful in delineating targets for potential drill testing.

From August to September 2023, Scott Geophysics Ltd. was engaged to complete a 17 line km pole-dipole IP geophysical survey over a series of interpreted intrusion-related magnetic features with coincident or proximal elevated copper-in-soils geochemistry. The IP program was designed to test for chargeable zones associated with seven interpreted intrusion-related magnetic features. Four of the seven targets show coincident IP chargeability highs, which the Company believes upgrades the potential for these targets to be associated with copper porphyry systems.

The Company plans to drill the Peak Central high chargeability zone and an adjacent deep, highly resistive zone in 2024, as well as new high priority target areas recently outlined. For more information on the IP program, refer to the Company's news release dated November 9, 2023.

7.3 SP (Cariboo Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the SP property, which it acquired by way of staking. At December 31, 2023, SP was comprised of four mineral claims totalling approximately 3,763 hectares located in south central British Columbia approximately 50 km northeast of Williams Lake.

During the year ended December 31, 2023, the Company expended $nil in acquisition costs (2022: $nil) and $46,993 in exploration costs (2022: $8,132) on SP which included an IP geophysical survey program. During the year ended December 31, 2022, the Company received a British Columbia METC of $11,130 which reduced the carrying value of the SP Property. As at December 31, 2023, total acquisition and exploration expenditures recorded on SP was $87,682 (2022: $40,689).

About the SP Property

The SP Project located in the South Cariboo region in the south-central British Columbia covers a strategic land position of 3,763 hectares underlain by geology of the Quesnel Terrane. The Project area is located 6 km southwest of the Mount Polley copper-gold mine within geologically similar rocks. Previous exploration at SP has identified areas of anomalous copper and gold soil geochemistry, coincident with large magnetic highs that may indicate the presence of porphyry-related intrusive rocks, similar to copper-bearing rocks elsewhere in Quesnellia.

2023 Work Program - SP

Work completed during the period ended December 31, 2023 includes reprocessing of existing airborne magnetic data completed to better characterize and prioritize magnetic anomalies associated with historical geochemically anomalous soil samples and an interpreted cross trend structure.

During September 2023, Scott Geophysics Ltd. was engaged to complete three lines of (3.6 line-km) pole-dipole IP geophysical survey over a series of magnetic features associated with elevated copper and gold in soils. The IP program was designed to test for the presence of chargeable rocks associated with two areas of interest. One weakly chargeable (6-8 mV/V) zone with a moderately high resistive zone (1500-3000 Ohm-metres) was identified on one of the three lines. No further work is planned at this time.

7.4 Hatter (Thompson-Nicola Regional District, British Columbia)

The Company owned a 100% royalty-free interest in the Hatter property, which it acquired by way of staking. Hatter was comprised of three mineral claims totalling approximately 1,849 hectares located in south central British Columbia approximately 20 km south of Merritt, BC.

During the year ended December 31, 2023, the Company expended $nil in acquisition costs (2022: $3,236) and $6,567 in exploration costs (2022: $24,267) on Hatter.

The Company elected not to maintain the claim and accordingly $3,236 in acquisition costs and $30,834 in exploration costs were written off during the year ended December 31, 2023.

7.5 Kendal (Kitimat-Stikine Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Kendal property, which it acquired by way of staking. At December 31, 2023, Kendal was comprised of five mineral claims totalling approximately 2,738 hectares located in west central British Columbia approximately 25 km northeast of Terrace.

During the year ended December 31, 2023, the Company expended $nil in acquisition costs (2022: $4,792) and $125,568 in exploration costs (2022: $63,243) on Kendal which included prospecting and an airborne magnetic and radiometric survey program. As at December 31, 2023, total acquisition and exploration expenditures recorded on Kendal was $193,603 (2022: $68,035).

About the Kendal Property

The Kendal Project comprises five mineral claims totalling 2,738 hectares located in west-central British Columbia, approximately 25 km northeast of the city of Terrace, a regional infrastructure hub with a well-serviced airport. Infrastructure is excellent with four intersecting highways, hydroelectric power and rail corridors and port facilities approximately 120 km to the west at Prince Rupert. The project has direct road access, only 3.5 km from Highway 16.

A key focus of the Kendal project is the large 2.5 x 1.5 km zone of hydrothermal alteration, manifested as a phyllic zone associated with an interpreted mineralized porphyry intrusion. The Company has completed detailed geological interpretation, a lithogeochemistry vectoring study, magnetic inversion modeling and radiometric studies. These technical studies have significantly enhanced our confidence that Kendal may represent a newly discovered, never drilled, copper porphyry system.

The area is underlain by Latest Triassic-Early Jurassic Hazelton Group volcanic rocks that are intruded by coeval plutons, then by later stocks and dykes associated with the Cretaceous to Tertiary Coast Plutonic Complex.

Previous mapping and sampling also identified propyllitically altered porphyritic rock and breccia zones with widespread anomalous copper geochemical values and highs up to 0.75% copper in rock. The Company interprets that the current level of erosion at Kendal is likely above a more prospective potassic alteration zone, suggesting that the main part of the copper system is preserved and could be open laterally and at depth.

2023 Work Program - Kendal

Kendal Lithogeochemical Vectoring Study

In the fourth quarter of 2023, the Company initiated a lithogeochemical vectoring study to better understand the porphyry copper potential within the project area and approximately 200 specimens of variably altered and randomly mineralized whole rocks were collected within the area of interest.

The sample suite was analysed for trace element lithogeochemistry using four-acid digestion, which ensures that key minerals are dissolved. High-quality mass spectrometry is utilized to ensure high precision at low detection limits. This analytical technique allows for the recognition of subtle trends in the data that indicate hotter and potentially more proximal fluid sources, or more simply, the identification of the core of a potential mineralizing system.

The enrichment or depletion of certain key elements provide a model of trace element behavior that reflect hotter and cooler temperatures within the vertical geochemical plume that develops above porphyry copper deposits. This enrichment or depletion forms the basis of the porphyry copper lithogeochemical footprint model of Halley et al. (2015). Interpretation of Kendal data suggests that the current level of erosion is potentially in close proximity to the most prospective potassic alteration zone, suggesting that the top of a copper porphyry system could be near surface.

Kendal Magnetics and Radiometrics

The 2023 field program also included a project wide 213-line-kilometre airborne magnetic and radiometric survey. Fathom Geophysics assisted the Company with modelling the magnetic data including the completion of 3D inversions.

Key geological, geochemical and geophysical features that are typically characteristic of mineralizing porphyry copper systems all overlap and are centered around a 600 x 600 metre region of numerous small, altered intrusions and dykes. This core area is surrounded by a nearly 2-km-wide zone of depressed magnetic responses, as seen in aeromagnetic data, outcrop and hand sample magnetic susceptibility measurements. This magnetic destruction zone potentially formed from hot hydrothermal fluids that destroyed the magnetite that was originally part of the mainly mafic volcanic host rocks.

The gamma-ray radiometric response outlines areas with very low thorium/potassium (Th/K) ratios that reflect intense hydrothermal alteration through the significant addition of potassium, in this case mostly from sericite-alteration of mafic volcanic rocks.

References

Halley, S; Dilles, JH; and Tosdal, RM; 2015. Footprints: Hydrothermal Alteration and Geochemical Dispersion Around Porphyry Copper Deposits. SEG Newsletter 100, 1,12-18. https://doi.org/10.5382/SEGnews.2015-100.fea

7.6 Ping (Fraser-Fort George Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Ping property, which it acquired by way of staking. At December 31, 2023, Ping was comprised of six mineral claims totalling approximately 5,408 hectares located in south central British Columbia approximately 50 km northwest of Prince George.

During the year ended December 31, 2023, the Company expended $1,060 in acquisition costs (2022: $8,404) and $459,686 in exploration costs (2022: $59,550) on Ping which included a drill program and geophysics. As at December 31, 2023, total acquisition and exploration expenditures recorded on Ping was $528,700 (2022: $67,954).

About the Ping Property

The Ping Project, situated in the central British Columbia, in the northern Cariboo region, covers a strategic land position of 5,408 hectares underlain by geology of the Quesnel Terrane. Regional geological mapping situates the Ping Project on the western boundary of the Takla volcanics, which hosts multiple copper porphyry systems in British Columbia. Previous exploration conducted on the property includes MMI (Mobile Metal Ion) soil geochemistry, an extensive aeromagnetic survey, and IP geophysics. The Company has compiled data from these surveys and has identified multiple targets that may represent copper porphyry intrusive rocks.

Within the Ping Project, the Ping South property comprises four contiguous mineral claims covering 3,821 hectares in north-central British Columbia, located approximately 50 km NW of the City of Prince George. Ping South lies within the Quesnellia Island Arc Terrane which hosts numerous deposits of alkalic porphyry gold-copper style mineralization, including Mount Polley and Mt. Milligan. The Company believes this underexplored area of the Quesnellia Terrane presents a significant opportunity to use advanced geoscience to identify new copper deposits masked by the till cover.

The Ping South area is within an elevated magnetic portion of a 25 km long northwest-trending positive magnetic feature. The feature is also partly correlative with the western margin of a 90 km by 15 km north-trending gravity high that is co-spatial with the western margin of a conductivity (VTEM) low. These coincident geophysical features share comparable characteristics to regional geophysical responses from several British Columbia copper deposits.

Access to the property is excellent via a well-maintained logging road network. Main haul roads run to the north and south of the Ping South claims.

2023 Work Program - Ping

During the year ended December 31, 2023, the Company engaged Fathom Geophysics ("Fathom") to compile and fully assess aeromagnetic data from the 2007 survey and IP data collected in 2008 and 2011 to identify exploration targets for further investigation. Magnetic Vector Inversion (MVI) modeling was completed on the Ping magnetic dataset by Fathom using the UBC MVI software. High-level intrusions and magnetite-rich alteration related to alkaline porphyry copper systems often form discrete magnetic anomalies. Fathom identified nine possible intrusion related targets at Ping South. In 2023, Fathom used magnetic inversion studies to better characterize and prioritize magnetic anomalies and reviewed historical IP for porphyry related chargeability and resistivity features.

In the fourth quarter of 2023, the Company conducted a first pass diamond drill program, completing four diamond drill holes totalling 665 m, and testing one of three interpreted alkalic copper-gold porphyry targets identified using a combination of Mobile Metal Ion (MMI) geochemistry, airborne magnetics and induced polarization geophysics. Two of the three targets were not tested due to a lack of available surface water for drilling.

Drill hole RCPG-23-003 ("003") was collared on the edge of an interpreted intrusion-related magnetic feature. 003 intersected 85 m of a newly recognized, coarse-grained, quartz-rich porphyritic intrusion from the base of overlying till cover to the end of the hole. The intrusion is highly deformed, foliated, and strongly lineated with local zones of more intense shearing and early deformed quartz veining. Broad zones (tens of metres) have been impacted by post-deformation sericite and pyrite alteration with associated quartz veining, indicating significant hydrothermal fluid flow. Geology and alteration encountered in 003 may suggest that it is on the outer margins of a potentially mineralized system. Assay results from 003 returned weakly anomalous Cu values moderately increasing down hole. By intersecting a new porphyry intrusion in this first pass program, the Company has confirmed the validity of its targeting process in this till covered area of Quesnellia Island Arc Terrane. The interpreted centre of the magnetic high associated with 003 is approximately 300 m to the ESE of the 003 collar location.

Drill holes RCPG-23-001, 004 and 005 all intersected an extensive, newly-discovered package of carbonaceous and calcareous marine sediments with quartz and quartz-carbonate veining. RCPG-23-004 and 005 rocks have been tightly folded and strongly deformed to form phyllite with graphitic horizons, carbonate veins and pyrite porphyroblasts. Quartz vein dominated zones were intersected in structurally-focused deformation zones with associated chlorite, iron carbonate and sericite alteration. These quartz veins and related rocks appear similar to gold-bearing sediment-hosted orogenic quartz veins that characterize many gold districts, including British Columbia's Barkerville district. A two metre wide quartz-feldspar porphyry felsic dyke in RCPG-23-004 cuts the deformed sediments and is pervasively sericite-altered with pyrite and at least two phases of quartz veins. Assay results from 001, 004, and 005 returned weakly anomalous zones with elevated Au, Ag and As. The graphitic horizons associated with zones of 1-3% pyrite porphyroblasts are interpreted to be the source of the highly chargeable IP feature targeted in this program.

7.7 Cooper (Cariboo Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Cooper property, which it acquired by way of staking. At December 31, 2023, Cooper was comprised of eight mineral claims totalling 5,445 hectares located in south central British Columbia, approximately 50 km northeast of the municipality of 100 Mile House.

During the year ended December 31, 2023, the Company expended $9,529 in acquisition costs (2022: $nil) and $11,726 in exploration costs (2022: $nil) on Cooper which included prospecting. As at December 31, 2023, total acquisition and exploration expenditures recorded on Cooper was $21,255 (2022: $nil).

About the Cooper Property

The Cooper Property is underlain by Early Jurassic granodiorite and granite of the Takomkane batholith. Previous work conducted in the southeastern area of the mineral claims, identified variably mineralized rocks with quartz-Kspar stockwork style veinlets and/or fracture fills that host anomalous chalcopyrite mineralization.

2023 Work Program - Cooper

Exploration activities during the year ended December 31, 2023 consisted of review and compilation of geological data associated with Cooper. In addition, the Company conducted an initial field prospecting and sampling program.

7.8 Scraper Springs (Elko County, Nevada)

The Company holds a 100% interest in the Scraper Springs property, which at December 31, 2023 was comprised of 190 mineral claims totalling approximately 1,589 hectares located in Elko County, Nevada. The property was originally acquired pursuant to a property purchase and sale agreement dated February 22, 2021 for consideration of $100,000 and is subject to a 2% NSR royalty. The Company has staked additional claims on Federal Bureau of Land Management ("BLM") land to expand the property.

Subsequent to year end, the Company entered into an Exploration Lease and Option to Purchase Agreement (the "Agreement") with an arm's length party effective February 27, 2024 (the "Effective Date") under which the Company is granted exclusive mineral and surface rights to certain private lands (the "Property") within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property for US$2,375,000, for consideration of US$10,000 paid upon execution of the letter of intent and the Agreement, annual lease payments ranging from US$5,000 to US$80,000 over the term of the lease, a surface disturbance fee, and a NSR royalty of 4% which the Company may purchase the first 2% for US$500,000 and the second 2% for US$1,000,000 at any time prior to commercial production.

During the year ended December 31, 2023, the Company expended $45,176 in acquisition costs (2022: $50,378) and $50,907 in exploration costs (2022: $38,979) on Scraper Springs which included geological review and permitting. As at December 31, 2023, total acquisition and exploration expenditures recorded on Scraper Springs was $474,411 (2022: $389,012).

About the Scraper Springs Property

The Scraper Springs Project is located in northern Nevada approximately 125 km from the cities of Winnemucca and Elko. The project occurs at the northernmost exposure of Paleozoic rocks in the north-central Nevada Carlin Trend in Elko County, Nevada. Scraper Springs is interpreted to host high temperature alteration minerology overlying a potential porphyry mineralizing system at depth. The approximate 4 km x 4 km alteration footprint surrounding the Scraper Springs target is comparable in scope to some of the world's largest copper deposits.

Previous operators at Scraper Springs mostly targeted shallow, high-grade gold systems or Carlin-related gold systems. A reinterpretation of the alteration and geology at the Project by Red Canyon and third-party consultants suggests high-temperature, low-pH clays and Eocene-aged intrusions at Scraper Springs could be associated with a deeper, large-scale copper system. In 2022, Red Canyon completed a deep IP survey at the Project, which outlined a significant, chargeable zone not previously drill tested. One historical drill hole approximately 1.5 km east of this new chargeability target intersected strong propylitic alteration and ended in anomalous copper mineralization with values up to 0.17% copper.

The Company views Scraper Springs as an important, high-profile copper project with excellent discovery potential. Red Canyon is currently reviewing options regarding conducting deep penetrating MT geophysics, or extending IP geophysical coverage prior to initial drill testing.

Additional information on the Scraper Springs project can be found in the NI 43-101 Technical Report dated September 26, 2023, as filed on SEDAR+ at www.sedarplus.ca.

2023 Work Program – Scraper Springs

Exploration expenditures during the year ended December 31, 2023 consisted of site visits, geological review and interpretation and permitting work.

7.9 Keg (Juab County, Utah)

The Company holds a 100% interest in the Keg property, which at December 31, 2023 was comprised of 63 mineral claims on BLM land and two Utah State leased sections totalling approximately 1,049 hectares located in Juab County, Utah. The property was acquired pursuant to a property purchase and sale agreement dated March 22, 2021 for consideration of $100,000 and is subject to a 2% NSR royalty.

During the year ended December 31, 2023, the Company expended $15,874 in acquisition costs (2022: $15,452) and $9,079 in exploration costs (2022: $117) on Keg which included geological review. As at December 31, 2023, total acquisition and exploration expenditures recorded on Keg was $164,390 (2022: $143,179).

About the Keg Property

The Keg Property is located in Juab County, 100 kilometres south of Salt Lake City, in central Utah's Great Basin. The property is considered to have potential for porphyry copper and related skarn mineralization. Previous work includes geological mapping and sampling and airborne and surface geophysical surveys.

2023 Work Program – Keg

Exploration expenditures during the year ended December 31, 2023 consist of a site visit and geological review and interpretation.

7.10 Qualified Person

The scientific and technical information contained in this document has been reviewed and approved by Wendell Zerb, P. Geol, a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

8. SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed fiscal quarters as presented in the unaudited condensed interim consolidated financial statements. The financial data provided is prepared in accordance with IFRS Accounting Standards ("IFRS") and is presented in Canadian dollars.

	Q4 Dec 31, 2023 $	Q3 Sep 30, 2023 $	Q2 Jun 30, 2023 $	Q1 Mar 31, 2023 $
Total revenue	-	-	-	-
Net loss for the period	(19,454)	(39,618)	(113,182)	(65,250)
Comprehensive loss for the period	(16,926)	(41,166)	(111,859)	(65,215)
Net loss per share, basic	(0.001)	(0.001)	(0.003)	(0.003)
Net loss per share, diluted	(0.001)	(0.001)	(0.003)	(0.003)

	Q4 Dec 31, 2022 $	Q3 Sep 30, 2022 $	Q2 Jun 30, 2022 $	Q1 Mar 31, 2022 $
Total revenue	-	-	-	-
Net loss for the period	(134,834)	(2,045)	(42,497)	(79,503)
Comprehensive loss for the period	(135,084)	(3,819)	(43,628)	(78,955)
Net loss per share, basic	(0.005)	(0.000)	(0.002)	(0.003)
Net loss per share, diluted	(0.005)	(0.000)	(0.002)	(0.003)

Because the Company is in the exploration stage, it did not earn any revenue.

Net losses of $113,182 for 2023 Q2 and $134,834 for 2022 Q4 are wider than the other periods, and the 2022 Q3 loss of $2,045 is narrower. The factors that have caused variations over the quarters are explained as follows.

Accounting and audit fees in the fourth quarter of 2022 include a provision of $50,205 for preparation of the Company's year end audit and income tax returns.

Share-based payments expense for the grant of incentive stock options were $37,307 for the second quarter of 2023 and $30,482 for the fourth quarter of 2022.

A foreign exchange gain of $37,282 was recorded during the third quarter of 2022. Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary and are dependent on fluctuation of exchange rates.

9. LIQUIDITY

The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates 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 business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes, copper price changes, and economic upturns or downturns that affect the market price of the Company's securities for the purposes of raising financing. World economic and geopolitical events and resulting inflation has created uncertainty in the equity and commodity markets, which makes it a challenge to raise financing. Management believes that this condition will continue over the next twelve months.

Cash was $968,620 at December 31, 2023 (2022: $269,396). Restricted cash was $20,763 at December 31, 2023 (2022: $20,210) and consists of a savings account held at a financial institution as security against a company credit card.

Amounts and other receivable consist of GST input tax credits and office expense recoveries. Prepaid expenses were recorded for ordinary operating expenses.

Current liabilities total $273,789 at December 31, 2023 compared to $229,970 at December 31, 2022. Current liabilities consist of trade payables and flow-through share premium of $210,581 that will be settled when the Company incurs eligible CEE.

Working capital surplus was $781,535 at December 31, 2023 compared to a surplus of $75,078 at December 31, 2022.

The Company has no debt or debt arrangements.

The Company has a commitment to incur $596,611 in qualifying exploration expenditures by December 31, 2024 in order to meet its FT financing obligations to shareholders. The Company anticipates that it will be required to pay Part XII.6 tax on the portions of unspent flow-through commitment subsequent to February 29, 2024 until the expenditures have been incurred. The Company plans to use its FT funds to drill its Peak, Ping or Kendal projects in 2024 to satisfy its FT commitments.

Based on the consolidated financial condition as at December 31, 2023, the Company anticipates raising additional capital in 2024 in order to meet its financial obligations as they become due in the current fiscal year.

10. CAPITAL RESOURCES

The Company does not have any commitments for capital expenditures. The Company does not have any capital resources in the form of debt, equity and any other financing arrangements.

11. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

12. TRANSACTIONS BETWEEN RELATED PARTIES

12.1 Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company. Key management personnel compensation is comprised of the following:

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Short-term employee benefits and director fees	209,000	159,600
Share-based payments	22,384	-
	231,384	159,600

The Company has entered into a Management Agreement with Wendell Zerb, the Chairman, President and Chief Executive Officer (the "CEO") effective January 1, 2022 for no fixed term. As compensation for the services to be provided, the CEO will receive a monthly fee of $10,800 with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause within twelve months of the effective date; (ii) six months of compensation plus an additional one month for each completed year of service up to a maximum of twelve months in the event the Company terminates the Agreement without Cause after twelve months of the effective date; (iii) twelve times the monthly compensation in the event the CEO resigns for Good Cause during the first two years of the Agreement; (iv) eighteen times the monthly compensation if the CEO resigns for Good Cause during the third or any subsequent year of the Agreement; and (v) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CEO resigns with or without Good Cause, within twelve months following a change of control of the Company. In the event the CEO participates in activities that lead to (i) the sale of any of the Company's exploration properties or the creation of a new or spin-off company, he will be awarded a Special Bonus in the amount of 0.5% of the sale of any of the Company's exploration properties or the creation of a new or spin-off company; and (ii) a corporate transaction involving a sale of the Company or more than 50% of the Company's issued and outstanding common shares, he will be awarded a Special Bonus of 0.2% of the consideration up to $50 million of consideration received, and 0.1% of additional value beyond that $50 million level. During the year ended December 31, 2023, the Company recorded $129,600 (2022: $129,600) in fees payable to the CEO, of which $83,160 (2022: $93,312) was capitalized to Exploration and Evaluation Assets in the Consolidated Statement of Financial Position, $nil (2022: $13,608) was expensed to general exploration and $46,440 (2022: $22,680) was expensed to Management in the Consolidated Statement of Loss.

The Company has entered into an Employment Agreement with Sandra Wong, the Chief Financial Officer and Corporate Secretary (the "CFO") effective June 1, 2023 for no fixed term. As compensation for the services to be provided, the CFO will receive a monthly salary of $6,700 with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause; (ii) three months of compensation in the event the CFO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CFO resigns with or without Good Cause, within twelve months following a change of control of the Company. This Employment Agreement supersedes an Employment Agreement dated January 1, 2022 for the CFO to provide services for compensation of a monthly salary of $2,500. During the year ended December 31, 2023, the Company recorded $59,400 (2022: $30,000) in fees payable to the CFO, of which $29,700 (2022: $15,000) was expensed to Management and $29,700 (2022: $15,000) was expensed to Salaries and Benefits in the Consolidated Statement of Loss.

The Company has approved the payment of a director's fee of $1,000 per month to each of Lauren Roberts, Caleb Stroup and Alistair Waddell and $2,000 per month to Cecil R. Bond, the chair of the audit committee, effective September 1, 2023. During the year ended December 31, 2023, the Company recorded $20,000 (2022: $nil) in director fees which were expensed to Management in the Consolidated Statement of Loss.

Wendell Zerb, Caleb Stroup and Alistair Waddell are officers and/or directors of the Company and are also directors and shareholders of NewQuest Capital Inc., which holds a 25.52% interest in the Company. Sandra Wong is CFO and Corporate Secretary of the Company and is also CFO, Corporate Secretary and a shareholder of NewQuest.

During the year ended December 31, 2022, the Company recorded $30,000 in consulting fees payable to NewQuest pursuant to a Contract for Services for a six month term from January 1, 2022 to June 30, 2022 for compensation of $5,000 per month.

12.2 Private Placements

In connection with the private placement that closed on January 14, 2022, Waddell Consulting Inc., a company owned by Alistair Waddell, a director of the Company, purchased a total of 50,000 common shares for total proceeds of $10,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on March 31, 2023, Wendell Zerb, the Chairman, President, CEO and a director of the Company, purchased a total of 100,000 Units for total proceeds of $22,000, and Lauren Roberts, a director of the Company, purchased a total of 200,000 Units for total proceeds of $44,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on April 25, 2023, Mr. Zerb purchased a total of 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

In connection with the private placements that closed on May 5, 2023, NewQuest purchased a total of 80,000 Units for total proceeds of $17,600 and Cecil R. Bond, a director of the Company, purchased 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

12.3 Due to Related Parties

As at December 31, 2023, the Company has $1,491 (December 31, 2022: $130,218) due to related parties which consists of amounts owed to a director and a significant shareholders for salaries and expense reimbursements, which is due on demand, unsecured and is non-interest bearing. The amounts due to related parties are payable to the following:

	December 31, 2023 $	**December 31, 2022** $
Wendell Zerb, President, Chairman, CEO, Director	149	129,776
NewQuest, significant shareholder and common directors	1,342	442
	1,491	130,218

13. FOURTH QUARTER

See Sections 3.3 and 3.4 above.

14. PROPOSED TRANSACTIONS

The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions other than disclosed in this Report. Other than disclosed in this Report, the Company does not have any proposed transactions.

15. COMMITMENTS, EXPECTED OR UNEXPECTED EVENTS, OR UNCERTAINTIES

Other than disclosed in this Report, the Company does not have any commitments, expected or unexpected events, or uncertainties.

The Company has a commitment to incur $596,611 in qualifying exploration expenditures by December 31, 2024 in order to meet its flow-through financing obligations to shareholders. The Company anticipates that it will be required to pay Part XII.6 tax on the portions of unspent FT commitment subsequent to February 29, 2024 until the expenditures have been incurred. The Company plans to use its FT funds to drill its Peak, Ping or Kendal projects in 2024 to satisfy its FT commitments.

16. SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

Other than disclosed in this Report, there are no significant changes from previous disclosure.

In the Company's Non-Offering Prospectus dated October 12, 2023 (the "Prospectus"), the Company disclosed an expected use of exploration funds as follows:

Use of funds available	**Amount**
Exploration of the Peak Property:	
Phase 1 Work Program	$287,100
Phase 2 Work Program depending on results of Phase 1	$660,000
Exploration of the Company's other properties	$150,000
Total allocation for exploration	**$1,097,100**

The Company plans to execute the Phase 1 Work Program on the Peak property with a budget of $300,000 in mid-2024. If Management determines that the results of the initial drill program warrant immediate follow-up, then the Company will prioritize an appropriate Phase 2 Work Program. However, in the interim, the Company has strategically reallocated the original Phase 2 budget of $660,000 to other projects in order to advance immediately actionable exploration programs. The Company completed a Phase I drill program on the Ping property in the fourth quarter of 2023 at a cost of $388,000. The Company also completed a lithogeochemical vectoring study and prospecting at Kendal in the fourth quarter of 2023 with a plan to drill in 2024, subject to access to adequate capital.

17. CHANGES IN ACCOUNTING POLICES INCLUDING INITIAL ADOPTION

A number of new or amended accounting standards were scheduled for mandatory adoption on or after January 1, 2024. The Company has not early adopted these new standards in preparing the Financial

Statements. These new standards are either not applicable or are not expected to have a material impact on the Company's Financial Statements.

18. KNOWN TRENDS, RISKS OR DEMANDS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of cash represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash with chartered Canadian financial institutions. The Company owns restricted cash of $20,763 which consists of a savings account held by a financial institution as security against a Company credit card. The Company also owns cash reclamation bond deposits of $120,000 held by the Province of British Columbia. The Company believes that the credit risk of default for these assets is low. As at December 31, 2023, the Company has no financial assets that are past due or impaired due to credit risk defaults. The Company's management of credit risk has not changed during the year ended December 31, 2023, from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payables. The Company has a working capital surplus of $781,535 as at December 31, 2023 and can meet its current obligations. The Company handles its liquidity risk through the management of its capital structure as described in Note 13 of the Financial Statements. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no variable interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in copper and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

- Currency Risk

  Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. A portion of the Company's exploration property expenditures will be incurred in United States dollars.

Risks and Uncertainties

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

The Company has Limited History of Operations

The Company has limited history of operations and is in the early stages of exploration on its mining properties. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High-Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

The Company is Subject to Substantial Environmental Requirements Which Could Cause a Restriction or Suspension of our Operations

The current and anticipated future operations and exploration activities of the Company on its projects in Canada and the United States require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, State and local laws and regulations governing various elements of the extractive industry. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas.

As the Company is presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require Inflection to provide remedial actions to correct the negative effects. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Conflicts of Interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date, the Company has not experienced any material losses related to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attacks, damage or unauthorized access remain a priority. As the threat landscape is ever-changing, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Climate Change

The Company is exposed to physical risks related to climate change including extreme weather events such as floods, longer wet or dry seasons, increased temperatures and drought, increased precipitation and snowfall and wildfires. Such events can temporarily slow or halt operations due to physical damage of assets, shortage of resources and route disruptions that may limit the transportation of materials and personnel. Additionally, regulations and taxes developed to regulate the transition to a low-carbon economy and energy efficiency may result in increased operation costs including environmental monitoring, increased reporting and other costs to comply with such regulations.

19. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at April 25, 2024, the Company has 34,937,459 common shares issued and outstanding.

As at April 25, 2024, the Company has 2,775,000 stock options outstanding.

As at April 25, 2024, the Company has 4,563,200 warrants outstanding.

20. BOARD OF DIRECTORS AND OFFICERS

The directors of the Company are Cecil R. Bond, Lauren Roberts, Caleb Stroup, Alistair Waddell and Wendell Zerb.

The officers of the Company are Wendell Zerb (Chairman, President and Chief Executive Officer and Sandra Wong (Chief Financial Officer and Corporate Secretary).

21. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

This Management's Discussion and Analysis contains "forward-looking statements, within the meaning of applicable Canadian Securities legislation", that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and copper, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks relating to the integration of acquisitions, risk relating to international operations, the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and copper; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; fluctuations in metal prices; as well as those risk factors discussed or referred to elsewhere in this Management's Discussion and Analysis for the year ended December 31, 2023. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

22. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure Controls and Procedures Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CSE-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a CSE issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RED CANYON RESOURCES LTD.

Wendell Zerb

Chairman, President and Chief Executive Officer