Golden Arrow Resources Corporation

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

Independent auditor's report

To the Shareholders of Golden Arrow Resources Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Golden Arrow Resources Corporation and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, which include material accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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, we have determined the matters 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 impairment indicators of mineral property interests *Refer to note 2 – Material accounting policies and note 5 – Mineral property interests to the consolidated financial statements.* The carrying value of the mineral property interests amounted to $4.3 million as at December 31, 2023. At each reporting period end, management applies significant judgment in assessing whether there are any indicators of impairment relating to the mineral property interests. Indicators of impairment may include: (i) the period during which the entity has the right to explore in the specific area has expired during the year or are not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral property interests in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral property interests in the specific area have not led to the discovery of commercially viable quantities of mineral resources; and (iv) sufficient data exists to indicate that the carrying amount of the mineral property interests is unlikely to be recovered in full from successful development or by sale. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount, if any. No objective evidence of impairment was identified by management as at December 31, 2023.	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's assessment of indicators of impairment related to mineral property interests, which included the following: – Obtained, for a sample of mineral property rights, evidence to support the right to explore the area. – Read the Board of Directors' minutes and obtained the approved budget to evidence substantive expenditures on further exploration for and evaluation of mineral property interests in the specific area and considered if any mineral property rights are not expected to be renewed. – Assessed whether the exploration for and evaluation of mineral property interests in the specific area have not led to the discovery of commercially viable quantities of mineral resources, or whether sufficient data exists to indicate that the carrying value of mineral property interests is unlikely to be recovered in full from successful development or by sale, based on evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to (i) the significance of the mineral property interests balance; and (ii) the significant judgment made by management in its assessment of indicators of impairment related to the mineral property interests, which have resulted in a high degree of subjectivity in performing audit procedures related to the significant judgment applied by management.	

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

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

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

We also provide those charged with governance with 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 Lana Kirk.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 25, 2024

Golden Arrow Resources Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2023 $	December 31, 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		115,800	606,710
Amounts receivable	7	519,594	376,874
Prepaid expenses		242,427	166,982
Total current assets		**877,821**	**6,774,286**
Non-current assets			
Equipment		-	4,079
Investments	5	1,200,000	5,623,720
Right-of-use assets	3	169,509	414,936
Mineral property interests	4	4,257,827	4,245,325
Total non-current assets		**5,627,336**	**4,664,340**
Total Assets		**6,505,157**	**11,438,626**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	744,866	584,782
Current portion of lease liabilities	3	52,040	106,401
Total current liabilities		**796,906**	**691,183**
Lease liabilities	3	138,731	321,058
Total liabilities		**935,637**	**1,012,241**
EQUITY			
Share capital	6	38,757,656	38,088,211
Reserves	6	26,983,361	26,691,634
Deficit		(60,171,497)	(54,353,460)
Total equity		**5,569,520**	**10,426,385**
Total Equity and Liabilities		**6,505,157**	**11,438,626**

SUBSEQUENT EVENTS (Note 13)

GOING CONCERN (Note 1)

These consolidated financial statements are authorized for issue by the Board of Directors on April 25, 2024. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"*David Terry*" , Director

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

Golden Arrow Resources Corporation
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Year ended December 31, 2023	2022
	Note	**$**	**$**
Expenses			
Administration and management services	7	392,100	425,200
Corporate development and investor relations		533,529	561,539
Depreciation		118,460	109,673
Exploration	4	4,935,805	3,498,994
Office and sundry	7	242,319	246,777
Professional fees		278,317	308,277
Rent, parking and storage (recovery)		(11,080)	40,895
Salaries and employee benefits	7	1,010,440	860,919
Share-based compensation		284,276	-
Transfer agent and regulatory fees		43,333	43,741
Travel and accommodation		33,442	34,594
Loss from operating activities		**(7,860,941)**	**(6,130,609)**
Other items			
Foreign exchange gain		714,884	513,414
Option income	4b	1,200,000	150,000
Dividend income	5	24,338	113,866
Interest expense		(39,746)	(33,887)
Gain on derecognition of ROU assets		3,319	-
Interest income		140,109	5,165
Loss on sale of equipment		-	(27,394)
Impairment of exploration and evaluation assets	4	-	(637,182)
Total other items		**2,042,904**	**83,982**
Loss for the year		**(5,818,037)**	**(6,046,627)**
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Change in fair value of marketable securities	5	(118,881)	(30,538)
Other comprehensive loss for the year		**(118,881)**	**(30,538)**
Comprehensive loss for the year		**(5,936,918)**	**(6,077,165)**
Basic and diluted loss per common share ($)	8	**(0.05)**	**(0.05)**

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

Golden Arrow Resources Corporation
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2023 $	2022 $
Cash flows from operating activities			
Loss for the year		(5,818,037)	(6,046,627)
Adjustments for:			
Depreciation		118,460	109,673
Depreciation of property and equipment included in exploration expenses		4,079	11,875
Interest expense		39,746	33,887
Option income		(1,200,000)	-
Dividend income		(24,338)	(113,866)
Share-based compensation		284,276	-
Gain on derecognition of ROU assets		(3,319)	-
Loss on sale of equipment		-	27,394
Impairment of exploration and evaluation assets	4	-	637,182
		(6,599,133)	(5,340,482)
Change in non-cash working capital items:			
Increase in amounts receivable		(142,720)	(303,713)
Increase in prepaid expenses		(75,445)	(70,824)
Increase in accounts payable and accrued liabilities		160,084	197,527
Net cash used in operating activities		**(6,657,214)**	**(5,517,492)**
Cash flows from investing activities			
Expenditures on mineral property interests		(12,502)	(4,244,539)
Dividend income		24,338	113,866
Proceeds from sale of marketable securities	5	5,504,839	9,471,978
Net proceeds from sale of equipment		-	23,087
Net cash received from investing activities		**5,516,675**	**5,364,392**
Cash flows from financing activities			
Issuance of common shares and warrants	6	819,655	-
Share issue costs	6	(23,878)	-
Lease payments		(146,148)	(143,758)
Net cash received from (used in) financing activities		**649,629**	**(143,758)**
Net decrease in cash and cash equivalents		**(490,910)**	**(296,858)**
Cash and cash equivalents at beginning of year		606,710	903,568
Cash and cash equivalents at end of year		**115,800**	**606,710**

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

Golden Arrow Resources Corporation
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital		Reserves					
	Number of shares	Amount $	Contributed surplus $	Equity settled share-based payments $	Warrants $	Accumulated other comprehensive income $	Deficit $	Total $
Balance at December 31, 2021	115,167,239	38,088,211	16,829,699	2,265,165	1,170,992	6,456,316	(48,306,833)	16,503,550
Stock options cancelled/expired	-	-	1,234,164	(1,234,164)	-	-	-	-
Warrants and agents' warrants expired	-	-	7,646	-	(7,646)	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(30,538)	(6,046,627)	(6,077,165)
Balance at December 31, 2022	115,167,239	38,088,211	18,071,509	1,031,001	1,163,346	6,425,778	(54,353,460)	10,426,385
Private placement	11,709,357	697,505	-	-	122,150	-	-	819,655
Share issue costs	-	(23,878)	-	-	-	-	-	(23,878)
Agent warrants granted	-	(4,182)	-	-	4,182	-	-	-
Share-based compensation	-	-	-	284,276	-	-	-	284,276
Stock options expired	-	-	680,866	(680,866)	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(118,881)	(5,818,037)	(5,936,918)
Balance at December 31, 2023	126,876,596	38,757,656	18,752,375	634,411	1,289,678	6,306,897	(60,171,497)	5,569,520

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Arrow Resources Corporation (the "Company" or "We") was incorporated on September 22, 2015, under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange ("TSX-V"), trading under the symbol "GRG", the OTCQX, trading under the symbol "GARWF", and the Frankfurt Stock Exchange, trading under the symbol "G6A".

The Company is a natural resource company engaged in the acquisition, exploration and development of resource properties in South America. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for mineral property interests are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

The consolidated financial statements were prepared using generally accepted accounting principles that are applicable to a going concern. The Company has experienced recurring operating losses and has a deficit of $60,171,497, working capital of $80,915 and shareholders' equity of $5,569,520 at December 31, 2023. In addition, the Company incurred negative cash flow from operating activities of $6,657,214 for the year ended December 31, 2023. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The Company's financial position indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations are dependent upon its ability to raise additional funding to meet its obligations as they fall due. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

The financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the statement of financial position classifications used, that would be necessary if the company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These consolidated financial statements were approved by the Board of Directors of the Company on April 25, 2024.

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for marketable securities, which are carried at fair value.

2. MATERIAL ACCOUNTING POLICIES (continued)

c) **Basis of consolidation**

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

	Place of Incorporation	Principal Activity
New Golden Explorations Inc.	BC, Canada	Holding company
New Golden Explorations Atlantida Ltd.	BC, Canada	Holding company
New Golden Explorations Indiana Ltd.	BC, Canada	Holding company
New Golden Explorations Indiana Chile SpA	Chile	Exploration company
New Golden Explorations Chile SpA	Chile	Exploration company
Desarrollo de Recursos S.A.	Argentina	Exploration company

On November 21, 2023, the Company transferred its 100% ownership in Lucca S.A. to an arm's length party for nominal consideration to eliminate ongoing corporate overhead costs in Paraguay (see also Note 4(f)).

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements.

(i) **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Foreign currencies

The presentation and functional currency of the Company and each of its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Property and Equipment

Equipment is recorded at cost less accumulated depreciation calculated using the straight-line method over the estimated useful lives of two years for geological equipment and computer software and five years for vehicles.

The right-of-use asset is depreciated over the lease period. Depreciation of an asset begins once it is available for use. At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement date of a lease.

2. MATERIAL ACCOUNTING POLICIES (continued)

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognized in profit or loss (a) interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs.

Exploration, Evaluation and Development Expenditures

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

The Company recognizes in income, costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount. Mineral property acquisition costs include cash costs and the fair market value of common shares issued, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Impairment

At the end of each reporting period the carrying amounts of the Company’s long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use.

Fair value is determined as the amount that would be obtained by the sale of the asset in any arm’s length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

Impairment is assessed at the level of cash-generating units (“CGUs”), which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place. Management reviewed the non-current assets for the year ended December 31, 2023 and did not identify any impairment indicators or reversal previously booked.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows.

Cash and accounts receivable are classified as measured at amortized cost. The Company has made an irrevocable election to classify its equity investment in Mogotes Metals Inc. and SSR Mining Inc. (“SSRM”) at fair value through other comprehensive income (“FVOCI”). The Company may acquire and transfer marketable securities from time to time, to facilitate intragroup funding transfers between the Canadian parent and its Argentine subsidiaries. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss.

Financial liabilities, including accounts payable and accrued liabilities and loans payable, are classified and measured at amortized cost.

Valuation of equity units issued in private placements

The Company follows a pro rata allocation method with respect to the measurement of shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing quoted bid price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black-Scholes pricing model. In the event of modification in warrants issued as private placement units, no re-measurement adjustment is recognized within equity.

Share-based Payment Transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Earnings and Loss per Share

The Company presents basic and diluted earnings and loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share does not adjust the earnings or loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2. MATERIAL ACCOUNTING POLICIES (continued)

Income Taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at year end applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Estimation uncertainty and Significant judgments

The Company's management makes judgments in its process of applying the Company's accounting policies in preparations of these consolidated financial statements. In addition, these consolidated financial statements include estimates which require management to make estimates of future uncertain events on the carrying amount of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Where the fair value of equity instruments cannot be derived from transactions in active markets, they are determined using appropriate valuation techniques for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's equity investment in Mogotes Metals Inc. is measured at fair value using Level 3 inputs since Mogotes Metals Inc. is a private Company.
Significant judgments:

- The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or are not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral property interests in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral property interests in the specific area have not led to the discovery of commercially viable quantities of mineral resources; and (iv) sufficient data exists to indicate that the carrying amount of the mineral property interests is unlikely to be recovered in full from successful development or by sale. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. RIGHT-OF-USE ASSETS

The Company capitalized two office lease arrangements in accordance with IFRS 16. The continuity schedule of right-of-use assets for year ended December 31, 2023 is as follows:

	Total $
Cost	
Balance at December 31, 2021	578,476
Additions	190,452
Balance at December 31, 2022	768,928
Disposal	(354,296)
Balance at December 31, 2023	414,632
Accumulated Depreciation	
Balance at December 31, 2021	244,319
Depreciation	109,673
Balance at December 31, 2022	353,992
Depreciation	118,459
Disposal	(227,328)
Balance at December 31, 2023	245,123
Carrying Amount	
At December 31, 2022	414,936
At December 31, 2023	169,509

The outstanding balances of lease liabilities are calculated using an implied rate of 12% p.a. The following is a schedule of the Company's future minimum lease payments related to the lease obligations:

		Total $
	2024	72,648
	2025-2027	159,962
Total minimum lease payments		232,610
Less: Imputed interest		(41,839)
Total present value of minimum lease payments		190,771
Less: Current portion		(52,040)
Non-current portion		138,731

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. MINERAL PROPERTY INTERESTS (continued)

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest as at December 31, 2023:

Acquisition Costs

	Chile		Argentina			Paraguay	
	San Pietro	Rosales	Flecha de Oro	Yanso	Other	Tierra Dorada	Total
	$	$	$	$	$	$	$
Balance – December 31, 2021	-	74,285	113,016	-	7,240	443,427	637,968
Additions							
Staking costs, land payments and acquisition costs	4,238,085	-	-	-	-	6,454	4,244,539
Impairment of exploration and evaluation assets	-	(74,285)	(113,016)	-	-	(449,881)	(637,182)
Balance – December 31, 2022	4,238,085	-	-	-	7,240	-	4,245,325
Additions							
Staking costs, land payments and acquisition costs	6,065	-	-	6,437	-	-	12,502
Balance – December 31, 2023	4,244,150	-	-	6,437	7,240	-	4,257,827

Exploration Expenditures

	Chile		Argentina			
	San Pietro	Rosales	Yanso	Espota	Other	Total
	$	$	$	$	$	$
Cumulative exploration expenses December 31, 2022	347,678	1,320,453	1,177,376	-	15,685,816	18,531,323
Expenditures during the year						
Assays	55,780	-	34,860	24,143	22,875	137,658
Drilling	927,843	-	-	-	-	927,843
Environmental	-	-	8,016	3,076	12,613	23,705
Geophysics	70,967	-	-	-	-	70,967
Office	181,435	-	34,454	105,607	9,746	331,242
Property maintenance payments	204,759	9,234	8,743	51,486	25,549	299,771
Salaries and contractors	830,236	-	250,205	231,340	3,669	1,315,450
Social and community	-	-	700	2,624	175	3,499
Supplies and equipment	464,416	-	46,693	475,441	145,496	1,132,046
Transportation	208,506	-	23,971	24,176	522	257,175
Value added taxes	335,444	1,103	26,644	59,061	14,197	436,449
	3,279,386	10,337	434,286	976,954	234,842	4,935,805
Cumulative exploration expenses December 31, 2023	3,627,064	1,330,790	1,611,662	976,954	15,950,658	23,467,128

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. MINERAL PROPERTY INTERESTS (continued)

The schedule below summarizes all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at December 31, 2022:

	Chile		Argentina			Paraguay		
	San Pietro	Rosales	Flecha de Oro	Libanesa	Yanso	Tierra Dorada	Other	Total
	$	$	$	$	$	$	$	$
Cumulative exploration expenses December 31, 2021	-	1,064,488	2,207,214	-	331,091	1,282,805	11,877,362	16,762,960
Expenditures during the year								
Assays	-	-	2,496	72,939	13,582	65,756	5,348	160,121
Drilling	-	-	-	266,979	-	27,954	-	294,933
Environmental	-	-	-	-	4,911	-	17,155	22,066
Office	26,113	7,670	8,443	28,148	106,569	136,539	32,436	345,918
Property maintenance payments	-	152,815	2,969	65,208	14,837	8,870	82,027	326,726
Salaries and contractors	196,749	3,591	32,839	174,684	401,199	169,563	123,042	1,101,667
Social and community	-	-	278	17,658	15,129	2,999	1,056	37,120
Supplies and equipment	-	-	2,550	206,636	155,964	11,168	96,369	472,687
Transportation	-	-	3,316	181,887	45,260	8,398	8,697	247,558
Value added taxes	124,816	91,889	6,206	118,947	88,834	16,579	42,927	490,198
	347,678	255,965	59,097	1,133,086	846,285	447,826	409,057	3,498,994
Cumulative exploration expenses December 31, 2022	347,678	1,320,453	2,266,311	1,133,086	1,177,376	1,730,631	12,286,419	20,261,954

(a) San Pietro, Atacama, Chile

On March 17, 2022, the Company purchased a 100% interest in the San Pietro Iron-oxide Copper Gold Project ("San Pietro Project") in Chile from Sumitomo Metal Mining Chile Ltda for cash consideration of $4,238,085 (US$3,350,000).

(b) Mogote Project, Argentina

On May 4, 2022, the Company optioned its Mogote Copper-Gold project (the "Mogote Project") in San Juan Province, Argentina to Australian-based Syndicate Minerals Pty ("Syndicate"). The agreement gives Syndicate the option to earn an 85% interest in the Mogote Project. An initial 80% interest can be earned by spending $5 million on exploration at the Mogote Project over five years and making cash payments of $1.9 million over five years, including a payment on signing of $150,000. After completion of the option earn-in, Syndicate can complete a feasibility study to earn a further 5% interest. After that, the parties have agreed to form a joint venture company to advance the Mogote Project on a pro rata basis, with provisions for dilution. On April 14, 2023, the Company amended its agreement with Syndicate to accept 4,000,000 common shares with a fair value of $0.30 per share in Mogotes Metals Inc. in lieu of staged cash payments of $1,200,000. The fair value of the shares at inception was based on other equity transactions in Mogote. Under the terms of the agreement, in the event that Mogotes Metals Inc. completed a going public transaction or issued its common shares at a lower share price, the Company was to receive additional shares such that the number received in April 2023 would still be the equivalent value of $1,200,000 (see also Note 13).

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. MINERAL PROPERTY INTERESTS (continued)

Option Payment US$	Exploration Expenditure Commitments US$	Year
150,000 (received)	300,000	2023
250,000 (received)	500,000	2024
350,000 (received)	1,000,000	2025
450,000 (received)	1,500,000	2026
550,000	1,700,000	2027
1,750,000	5,000,000	

(c) Caballos Project, Argentina

During 2022, the Company entered into a definitive agreement (the “Agreement”) to option its Caballos copper-gold project (the “Caballos Project”) to Hanaq Argentina S.A. (“Hanaq”). The Agreement gives Hanaq the opportunity to earn a 70% interest in the Caballos Project by spending a minimum of US$0.5 million in exploration expenditures within two years, followed by US$3.5 million in exploration expenditures within six years of the Agreement date. On completion of the option earn-in, the parties have agreed to form a joint venture company will be incorporated and owned 70% Hanaq and 30% by the Company’s 100% owned Argentina subsidiary, Desarrollo de Recursos S.A., to advance the Caballos Project on a pro rata basis, with provisions for dilution.

(d) Yanso Project, Argentina

The Company owns a 100% interest in the Yanso gold project in eastern San Juan Province, Argentina.

(d) Espota Project, Argentina

During 2023, the Company entered into an option agreement to acquire 100% of Espota project for US$360,000 in cash payments over two years. An initial payment of $25,000 was made but the Company opted to not make the next payment and relinquished the option.

(e) Rosales Copper Project, Chile

The Company owns a 100% interest in the Rosales Copper Project in Region III, Chile. The Company determined that it would not be exploring the Rosales properties further based on the exploration work during the year ended December 31, 2022 and recorded an impairment of $74,285 related to previously capitalized acquisition costs.

(e) Flecha de Oro Project, Rio Negro, Argentina

The Company held an option agreement to acquire up to 100% of the Flecha de Oro Gold Project that included Puzzle, Esperanza and Maquinchao exploration properties. During the year ended December 31, 2022, the Company determined that it would not be exploring the Puzzle, Esperanza, and Maquinchao properties further based on the exploration work during the year and would discontinue option payments. The Company recorded an impairment of $113,016 related to previously capitalized acquisition costs.

The terms of the Puzzle and Esperanza option agreement included staged payments over seven years totaling US$2,090,000 for a 100% interest in both properties with the vendor retaining a 1% net smelter royalty, which could be reduced to 0.25% for an additional US$1,000,000. The Company had paid US$40,000 of the US$2,090,000 commitment when it determined to terminate the option agreement.

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. MINERAL PROPERTY INTERESTS (continued)

The terms of the Maquinchao option agreement included staged payments over four years totaling US$630,000 for a 100% in the property with the vendor retaining a 1% net smelter royalty. The Company had paid US$30,000 of the US$630,000 commitment when it determined to terminate the option agreement.

(e) Libanesa, Santa Cruz, Argentina

During 2021, the Company entered into an option agreement to acquire 75% undivided interest in Libanesa silver-gold project in Santa Cruz province, Argentina from Mirasol Resources Ltd. (“Mirasol”). Terms of the option include cash payments totaling US$1,000,000, and exploration expenditure commitments of US$4,000,000 over six years. The Company terminated the option agreement, before issuing any option payments, based on the results of exploration programs during the year ended December 31, 2022.

(f) Tierra Dorada Project, Paraguay

The Company held an option agreement to acquire a 100% interest in the Tierra Dorada gold project in Paraguay. During the year ended December 31, 2022, the Company determined that it would not be exploring the property further based on the exploration work during 2022 and would discontinue option payments. The Company recorded an impairment of $449,881 for previously capitalized acquisition costs.

The terms of the option agreement included staged payments over six years totaling US$2,000,000 and an additional payment of US$2,000,000 thirty working days following the date of commencement of commercial production on the property, for a 100% interest. The Company had paid US$211,000 of the US$4,000,000 commitment when it determined to terminate the option agreement.

5. INVESTMENTS

An analysis of investments including related gains and losses during the year is as follows:

	Year ended December 31,	
	2023 **$**	**2022** **$**
Investments, beginning of year	5,623,720	15,126,236
Fair value of common shares received for option income	1,200,000	-
Disposition of marketable securities	(5,504,839)	(9,471,978)
Change in fair value of marketable securities	(118,881)	(30,538)
Investments, end of year	1,200,000	5,623,720

During the year ended December 31, 2023, the Company received 4,000,000 common shares of Mogote Metals Inc. with a fair value of $0.30 per common share for option income of $1,200,000 (2022 - $Nil, see also Note 4). The Company sold 265,395 shares of SSRM for proceeds of $5,504,839 during the year ended December 31, 2023 (year ended December 31, 2022 – sold 410,185 shares of SSRM for proceeds of $9,471,978) and held no common shares of SSRM at December 31, 2023 (December 31, 2022 – 265,395 – $21.19 per share). The Company realized a cumulative gain of $483,048 in other comprehensive income (loss) on disposal of marketable securities for the year ended December 31, 2023 (December 31, 2022 - $1,698,432). During the year ended December 31, 2023, the Company received $24,338 (2022 - $113,866) in dividends from its investment in SSRM.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. CAPITAL AND RESERVES

Authorized Share Capital

At December 31, 2023, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2023

On September 26, 2023, the Company completed a non-brokered private placement announced on September 13, 2023, and subsequently closed on October 27, 2023. The Company issued 11,709,357 units in this tranche at a price of $0.07 per unit for gross proceeds of $819,655. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.15 per share for three years from the date of issue. Finder's fees paid were $23,878 cash and 341,110 non-transferable warrants exercisable into common shares at $0.15 for three years from the date of issue with a fair value of $4,182. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.88%; expected stock price volatility – 61.32%; dividend yield – 0%; and expected warrant life – 2.32 years.

Details of Issues of Common Shares in 2022

There were no share issuances during the year ended December 31, 2022.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on a fixed number of eligible shares equaling 20% of the Company's outstanding common shares calculated at June 25, 2013, totaling a maximum of 8,364,371 share purchase options. On April 22, 2021, the Stock Option Plan was amended allowing for a maximum total share purchase options of 11,500,000.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

The continuity of share purchase options for the year ended December 31, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	Cancelled/ Expired	December31, 2023	Options exercisable
January 9, 2023	$0.70	1,800,000	-	(1,800,000)	-	-
January 19, 2026	$0.25	4,455,000	-	(150,000)	4,305,000	4,305,000
July 13, 2028	$0.10	-	6,950,000	-	6,950,000	6,950,000
		6,255,000	6,950,000	(1,950,000)	11,255,000	11,255,000
Weighted average exercise price $		0.38	0.10	0.67	0.16	0.16
Weighted average contractual remaining life (years)		2.18	5.00	-	3.59	3.59

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the year ended December 31, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Cancelled/ Expired	December 31, 2022	Options exercisable
June 22, 2022	$0.62	3,250,000	-	(3,250,000)	-	-
January 9, 2023	$0.70	1,900,000	-	(100,000)	1,800,000	1,800,000
January 19, 2026	$0.25	4,655,000	-	(200,000)	4,455,000	4,455,000
		9,805,000	-	(3,550,000)	6,255,000	6,255,000
Weighted average exercise price $		0.46	-	0.62	0.38	0.38
Weighted average contractual remaining life (years)		2.28	-	-	2.18	2.18

The weighted average fair value of share purchase options granted during the year ended December 31, 2023 is $0.04 per share purchase option (2022 - $Nil).

Share purchase options were fair valued based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended December 31,	
	2023	2022
Risk-free interest rate	4.53%	-
Expected option life in years	3.59	-
Expected share price volatility(1)	61.34%	-
Grant date share price	$0.09	-
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

(1) Expected volatility was estimated based on historical trading price.

Warrants

The continuity of warrants for the year ended December 31, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	December 31, 2023
February 25, 2024(1)	$0.40	11,051,611	-	11,051,611
March 5, 2024(1)	$0.40	1,290,367	-	1,290,367
March 21, 2024(1)	$0.40	3,462,034	-	3,462,034
June 19, 2024	$0.30	4,062,500	-	4,062,500
June 20, 2024	$0.30	1,950,000	-	1,950,000
September 26, 2026	$0.15	-	12,050,467	12,050,467
		21,816,512	12,050,467	33,866,979
Weighted average exercise price $		0.37	0.15	0.29

(1) Refer to Note 13 for further information.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. CAPITAL AND RESERVES (continued)

The continuity of warrants for the year ended December 31, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Expired	December 31, 2022
February 25, 2023	$0.40	11,051,611	-	11,051,611
March 5, 2023	$0.40	1,290,367	-	1,290,367
March 21, 2023	$0.40	3,462,034	-	3,462,034
June 19, 2024	$0.30	4,213,000	(150,500)	4,062,500
June 20, 2024	$0.30	1,992,000	(42,000)	1,950,000
		22,009,012	(192,500)	21,816,512
Weighted average exercise price $		0.37	0.30	0.37

7. RELATED PARTY BALANCES AND TRANSACTIONS

On June 1, 2017, the Company entered into a Management Services Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another director in common with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is $11,800 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The Management Services Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000. The agreement expires on December 31, 2025 and is automatically renewed for additional terms of two years unless otherwise terminated pursuant to the terms of the agreement. The Company's commitment under this agreement is as follows:

	Year 1 $	Year 2 $	Year 3 $
Management Services Agreement	141,600	141,600	-

Transactions	Year ended December 31, 2023 $	 2022 $
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	319,100	337,200
Office & sundry	53,500	56,400
Total for services rendered	372,600	393,600

Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO, Vice President of Corporate Development and Corporate Secretary.

(Expressed in Canadian Dollars Unless Otherwise Noted)

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Year ended December 31,	
Transactions	**2023** **$**	**2022** **$**
Consulting, salaries, and professional fees:		
Chairman/President/CEO	305,945	275,000
CFO	60,320	60,000
Director/VP – Corp. Development	121,767	124,680
VP Exploration	226,897	190,000
Corporate Secretary	72,384	72,000
Directors	90,750	119,500
Total for services rendered	878,063	841,180

As at December 31, 2023, there was $501,327 (2022 – $365,511) of costs owed from related corporations Argentina Lithium and Energy Corp., and Blue Sky Uranium Corp. for shared services paid by the Company. At December 31, 2023, there was $144,572 (2022 - $49,226) in accounts payable and accrued liabilities that was due to a related corporation Grosso Group Management Ltd.

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2023 and 2022 was based on the following:

	Year ended December 31,	
	2023	**2022**
Loss attributable to common shareholders ($)	(5,818,037)	(6,046,627)
Weighted average number of common shares outstanding	118,279,041	115,167,239

The Company incurred a loss attributable to common shareholders for the year ended December 31, 2023 and 2022, therefore the impact of dilutive securities is anti-dilutive.

9. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and development. The Company's total non-current assets are segmented geographically as follows:

	December 31, 2023			
	Canada **$**	**Argentina** **$**	**Chile** **$**	**Total** **$**
Right-of-use assets	169,509	-	-	169,509
Mineral property interests ($)	-	7,240	4,244,150	4,251,390
	169,509	7,240	4,244,150	4,420,899

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. SEGMENTED INFORMATION (continued)

	December 31, 2022				
	Canada $	Argentina $	Chile $	Paraguay $	Total $
Equipment ($)	-	-	-	4,079	4,079
Right-of-use assets	414,936	-	-	-	414,936
Mineral property interests ($)	-	7,240	4,238,085	-	4,245,325
	414,936	7,240	4,238,085	4,079	4,664,340

10. INCOME TAXES

The recovery of income taxes shown in the consolidated statements of loss and comprehensive loss differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2023	2022
Statutory tax rate	27.00%	27.00%
	$	$
Loss before income taxes	(5,818,037)	(6,046,627)
Income tax recovery at Canadian statutory rates	(1,570,870)	(1,632,589)
Non-deductible differences and others	71,685	(13,241)
Difference between Canadian and foreign tax rates	4,517	201,924
Unrecognized deferred tax assets	1,494,668	1,443,907
Income tax recovery	-	-

Deferred income taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future tax assets and liabilities are as follows:

	2023 $	2022 $
Deferred income tax assets		
Share issue costs	5,158	4,259
Non-capital tax loss carry forwards	10,034,061	8,524,035
Resource deductions	429,955	429,955
Foreign exchange	961,677	901,707
	11,430,850	9,859,956
Deferred income tax liabilities		
Marketable securities	-	157,645
Unrecognized deferred income tax assets	11,430,850	9,702,311
	-	-

The Company has Canadian non-capital loss carryforwards of $24,106,779 that may be available for tax purposes. The Company's non-capital losses expire in 2037 to 2043.

The Company has Argentinian non-capital loss carryforwards of $4,569,538 that may be available for tax purposes. The Company's non-capital losses expire in 2024 to 2028.

The Company has Chilean non-capital loss carryforwards of $7,296,153 that may be available for tax purposes.

11. FINANCIAL INSTRUMENTS

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

(a) Fair Values

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial assets consist of cash and cash equivalents, amounts receivable and investments. The Company's investment in Mogotes Minerals Inc. (see also Notes 4 (b) and 14) is carried at fair value using level 2 inputs from private placements of shares and the terms of its agreement with Mogote Minerals Inc. Fair value of investment is otherwise determined using closing prices at the balance sheet date with any gains or losses recognized in other comprehensive income. The carrying values of cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, and amounts receivable.

Overall the credit risk of the financial assets held by the Company has not changed significantly from the prior period. The Company places its cash and cash equivalents and short-term investments with financial institutions with high credit ratings. Accordingly, the credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants, and sale of marketing securities to fund exploration programs and may require doing so again in the future.

As of December 31, 2023, the Company had working capital of $680,915 (December 31, 2022 - $6,083,103). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. See also Note 1.

(Expressed in Canadian Dollars Unless Otherwise Noted)

11. FINANCIAL INSTRUMENTS (continued)

	1 Year $	2 Years and more $
Accounts payable and accrued liabilities	744,866	-

Market risk

(i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market prices. Investments in marketable securities measured at fair value are exposed to changes in share prices that would result in gains or losses recognized in the Company's other comprehensive income. A 10% change in prices would change the Company's other comprehensive loss by $120,000.

(ii) ***Currency risk***

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include cash accounts, amounts receivable and accounts payable in: US dollars, Argentine Pesos, Chilean Pesos and Paraguayan Guarani. The sensitivity of the Company's net earnings to changes in the exchange rate between the Canadian dollar and the United States dollar, Argentine Peso, and Chilean Peso at December 31, 2023 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $7,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $500.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $16,000.

The Company may acquire and transfer marketable securities from time to time, to facilitate intragroup funding transfers between the Canadian parent and its Argentine subsidiaries. The Company does not acquire marketable securities and engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well-established companies with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash approximates their carrying values due to the immediate or short-term maturity of these financial instruments. Effect of the change in interest rate is not material.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity and loans. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments. See also Note 1.

13. SUBSEQUENT EVENTS

Private Placement

- On February 6, 2024, the Company completed the first tranche of the non-brokered private placement announced on January 19, 2024 and increased on February 6, 2024, consisting of 16,890,000 units. On March 15, 2024, the Company completed the second and final tranche of the non-brokered private placement, consisting of 1,000,000 units. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.10 per share for three years from the date of issue. Finders' fees paid were $23,940 cash and 478,800 non-transferable warrants exercisable into common shares at $0.10 for three years from the date of issue.

- The Company issued a total of 17,890,000 units at a price of $0.05 per unit for gross proceeds of $894,500.

San Pietro Project

- The Company's subsidiary, New Golden Explorations Chile SpA ("NGE"), entered into an option agreement with Sociedad de Servicios Andinos SpA ("SSA"). Under the option agreement, NGE has granted SSA the option to subscribe for 333 shares in the capital of NGE equivalent to approximately 25% of the issued and outstanding shares in exchange for contribution of US$5,000,000 in the equivalent amount of Chilean pesos including US$2,000,000 in cash through six bimonthly installments of US$333,333 commencing on February 1, 2024 and performing drilling services, heavy machinery services, truck rental as well as any other goods or necessary services for the development of field activities at the San Pietro Project (see also Note 4) with an aggregate value of US$3,000,000 by July 2025. The Company received conditional approval of the Transaction from TSX-V on January 18, 2024. Completion of the option agreement remains subject to the final approval of the TSX-V and SSA performing its obligations.

- The Company has received a total of US$666,333 in cash option payments from SSA.

13. SUBSEQUENT EVENTS (continued)

Warrants Expiry

- 11,051,611 warrants at an exercise price of $0.40 per unit expired on February 25, 2024.
- 1,290,367 warrants at an exercise price of $0.40 per unit expired on March 5, 2024.
- 3,462,034 warrants at an exercise price of $0.40 per unit expired on March 21, 2024.

Mogote Project

- The Company received another 4,000,000 common shares in Mogotes Metals Inc. to prevent dilution and maintain its $1,200,000 investment value as per the terms of the agreement between the companies (see also Note 4(b)).

Contingency

- An employee of the Company that departed subsequent to year-end is claiming to be owed severance in Argentina. The Company believes the amount of severance being claimed by the former employee and consultant is excessive and is disputing the amount. The actual amount of severance is still being negotiated and may be material to the Company.