Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Tectonic Metals Inc. for the interim periods ended March 31, 2024 and 2023, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting,* as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Davidson & Company LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

May 30, 2024

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	**March 31, 2024**	December 31, 2023
		$	$
ASSETS			
Current			
Cash		**1,302,929**	2,381,310
Amounts receivable		**6,031**	29,836
Prepaid expenses and deposits	5	**407,416**	334,180
		1,716,376	2,745,326
Property and equipment	6	**7,517**	8,127
Exploration and evaluation assets	7	**991,785**	991,785
Total assets		**2,715,678**	3,745,238
LIABILITIES			
Current			
Accounts payable and accrued liabilities	12	**420,457**	748,592
Restoration provision	10	**359,512**	348,258
Total liabilities		**779,969**	1,096,850
SHAREHOLDERS' EQUITY			
Share capital	11(b)	**34,202,658**	34,160,529
Reserves		**7,334,036**	7,277,929
Deficit		**(39,600,985)**	(38,790,070)
Total shareholders' equity		**1,935,709**	2,648,388
Total liabilities and shareholders' equity		**2,715,678**	3,745,238

Nature of operations and going concern (Note 1)
Subsequent events (Note 16)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Antonio Reda"
Antonio Reda

/s/ "Michael Roper"
Michael Roper

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

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except number of shares)

		Three months ended	March 31,
	Note	**2024**	2023
		$	$
Operating expenses (income)			
Accounting and legal fees	12	**78,297**	69,509
Accretion expense	10	**2,709**	-
Corporate development		**53,103**	100,857
Depreciation		**610**	8,230
Employee benefits and salary	12	**79,170**	234,945
Exploration and evaluation expenses	8,12	**423,617**	327,513
Foreign exchange gain		**(1,075)**	(5,406)
General and administration		**30,601**	52,853
Insurance		**11,619**	17,309
Interest expense	9	**-**	187
Investor relations		**56,507**	89,439
Listing and filing fees		**15,402**	22,160
Share-based compensation	11(d),12	**56,107**	27,627
Travel and meals		**12,083**	57,286
		818,750	1,002,509
Other income			
Interest income		**7,835**	3,292
Net loss and comprehensive loss		**(810,915)**	(999,217)
Net loss per share:			
Basic and diluted		**(0.00)**	(0.00)
Weighted average number of common shares outstanding:			
Basic and diluted		**330,700,924**	240,030,490

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

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended March 31, 2024	2023
	$	$
Operating activities:		
Net loss for the period	**(810,915)**	(999,217)
Adjustments for:		
Accretion expense	**2,709**	-
Depreciation	**610**	8,230
Foreign exchange loss (gain)	**9,946**	(5,712)
Interest expense	**-**	187
Share-based compensation	**56,107**	27,627
Changes in non-cash working capital:		
Amounts receivable	**23,805**	(15,496)
Prepaid expenses and deposits	**(68,376)**	45,378
Accounts payable and accrued liabilities	**(292,267)**	(131,593)
Cash used in operating activities	**(1,078,381)**	(1,070,596)
Financing activities:		
Lease liability payments	**-**	(7,594)
Cash used in financing activities	**-**	(7,594)
Change in cash	**(1,078,381)**	(1,078,190)
Cash, beginning of period	**2,381,310**	2,552,145
Cash, end of period	**1,302,929**	1,473,955
Supplemental cash flow information:		
Recovery of share issuance costs	**42,129**	-
Cash income tax paid	**-**	-
Cash interest paid	**-**	187

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

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance, December 31, 2022	240,030,490	27,341,904	4,799,782	(29,191,062)	2,950,624
Share-based compensation	-	-	27,627	-	27,627
Net loss for the period	-	-	-	(999,217)	(999,217)
Balance, March 31, 2023	240,030,490	27,341,904	4,827,409	(30,190,279)	1,979,034
Shares issued in private placements	74,817,098	6,500,538	1,729,343	-	8,229,881
Share issuance costs	-	(872,131)	153,797	-	(718,334)
Shares issued in Warrants Incentive Program	15,793,336	1,177,422	401,912	-	1,579,334
Shares issued from exercise of warrants	60,000	12,796	(2,596)	-	10,200
Share-based compensation	-	-	168,064	-	168,064
Net loss for the period	-	-	-	(8,599,791)	(8,599,791)
Balance, December 31, 2023	330,700,924	34,160,529	7,277,929	(38,790,070)	2,648,388
Recovery of share issuance costs	-	42,129	-	-	42,129
Share-based compensation	-	-	56,107	-	56,107
Net loss for the period	-	-	-	(810,915)	(810,915)
Balance, March 31, 2024	**330,700,924**	**34,202,658**	**7,334,036**	**(39,600,985)**	**1,935,709**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Tectonic Metals Inc. (the "Company" or "Tectonic") was incorporated on April 7, 2017 under the laws of the British Columbia Business Corporations Act. The Company's head office is at 1400 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

The Company is listed on the TSX Venture Exchange ("TSX-V") trading under the symbol "TECT", is co-listed on the United States ("US") OTCQB trading under the symbol "TETOF" and is co-listed on the Frankfurt Stock Exchange trading under the symbol "T15B".

The Company's principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in the US and Canada. The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets 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. To date, the Company has not earned any revenues and is in the exploration stage.

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023 (the "financial statements") are prepared on a going concern basis, which contemplates that the Company will be able to continue operations for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. For the three months ended March 31, 2024, the Company incurred a net loss and comprehensive loss of $810,915 (2023 - $999,217). As at March 31, 2024, the Company has a deficit of $39,600,985 (December 31, 2023 - $38,790,070) and working capital of $1,295,919 (December 31, 2023 - $1,996,734). There is no certainty that additional financing at terms that are acceptable to the Company will be available, and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance its operations with the proceeds from equity financings, and its current working capital.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities 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. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on May 30, 2024.

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended December 31, 2023 and 2022 (the "Annual Financial Statements").

b) Basis of presentation

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

c) Functional and presentational currency

These financial statements are presented in Canadian dollars ("CAD") which is the functional and presentational currency of the Company and its subsidiaries. References to "USD" or "US$" are to US dollars.

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

These financial statements include the financial information of the Company and entities controlled by the Company. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and 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. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

A summary of the Company's subsidiaries included in these financial statements as at March 31, 2024 is as follows:

	Functional currency	**Ownership percentage**
District Metals LLC	CAD	100%
Tectonic Resources LLC	CAD	100%

e) Reclassification of prior amounts

The Company has reclassified certain comparative information on the condensed interim consolidated statements of loss and comprehensive loss and condensed interim consolidated statements of cash flows to conform with current period presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	March 31, 2024	December 31, 2023
	$	$
Exploration program deposits	**203,250**	198,390
Prepaid consulting fees	**27,500**	55,000
Other prepaid expenses	**176,666**	80,790
	407,416	334,180

(Unaudited - Expressed in Canadian dollars, except where noted)

6. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Exploration equipment	Office and furniture	Computer equipment	Right-of-use asset	Total
	$	$	$	$	$
Cost					
Balance, December 31, 2022	22,686	17,866	42,936	86,893	170,381
Additions	-	(2,268)	(31,039)	-	(33,307)
Balance, March 31, 2024 and December 31, 2023	**22,686**	**15,598**	**11,897**	**86,893**	**137,074**
Accumulated depreciation					
Balance, December 31, 2022	22,314	12,657	24,716	78,300	137,987
Depreciation	112	1,430	4,601	8,593	14,736
Disposals	-	(1,673)	(22,103)	-	(23,776)
Balance, December 31, 2023	22,426	12,414	7,214	86,893	128,947
Depreciation	20	239	351	-	610
Balance, March 31, 2024	**22,446**	**12,653**	**7,565**	**86,893**	**129,557**
Carrying value					
Balance, December 31, 2023	260	3,184	4,683	-	8,127
Balance, March 31, 2024	**240**	**2,945**	**4,332**	**-**	**7,517**

7. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Tibbs	Carrie and Mt. Harper	Flat	Porterfield	Total
	$	$	$	$	$
Balance, December 31, 2022	376,987	53,961	142,195	-	573,143
Cash acquisition payments	68,175	-	54,338	34,275	156,788
Impairment	-	(53,961)	-	-	(53,961)
Restoration provision	-	-	315,815	-	315,815
Balance, March 31, 2024 and December 31, 2023	**445,162**	**-**	**512,348**	**34,275**	**991,785**

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

a) Tibbs

On June 15, 2017, the Company entered into a mining lease and option agreement with Tibbs Creek Gold, LLC ("TCG") for a 100% interest in the surface and subsurface rights to State of Alaska Mining Claims in the Fairbanks Recording District, Alaska ("Tibbs" or "Tibbs Property"). The agreement grants Tibbs a 2.5% net smelter return ("NSR"), of which 1.5% can be purchased for US$1,500,000. The initial term of the lease is ten years.

In consideration, the Company paid TCG a total of $445,162 (US$330,000) up to March 31, 2024. Pursuant to the option agreement, the Company is required to pay a US$50,000 option payment each June from 2021 to 2027 and was required to incur an aggregate US$1,000,000 in exploration expenses by June 2022. As of December 31, 2021, the Company has fulfilled this exploration expenditure commitment. On June 1, 2023, the Company paid TCG a total of $68,175 (US$50,000) pursuant to the option agreement. During the three months ended March 31, 2024 no field work was conducted at the Tibbs Property.

(Unaudited - Expressed in Canadian dollars, except where noted)

7. EXPLORATION AND EVALUATION ASSETS (continued)

b) Carrie Creek and Mt. Harper

In August 2020, the Company entered into a mining lease agreement with Doyon, Limited ("Doyon") for a 100% interest in the area of the Alaska Native regional corporation mineral estate in the Goodpaster Mining District, Alaska ("Carrie Creek and Mt. Harper"). Doyon was granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production.

During the year ended December 31, 2023, the Company decided not to continue with the Carrie Creek and Mount Harper property and terminated the lease agreement, resulting in an impairment of exploration and evaluation assets of $53,961.

c) Flat

In September 2021, the Company entered into a mining lease agreement with Doyon for a 100% interest in the Flat Gold Property ("Flat") located in the in the Kuskokwim Mineral Belt, Alaska. The initial term of the lease is for 15 years and includes renewal clauses to extend the lease period up to the entire operational period of the mine. Doyon was granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the fifth anniversary of commencement of commercial production. Doyon was granted a 3% NSR for precious minerals and a 2% NSR for base minerals from the fifth to tenth anniversaries of commercial production. After the tenth anniversary of the commencement of commercial production, the production royalty for precious minerals will be the greater of a 4% NSR or 15% of net proceeds, and the production royalty for base minerals will be the greater of a 3% NSR or 15% of net proceeds.

In consideration, the Company paid Doyon $196,533 (US$150,000) for mineral lease agreement requirements from lease inception to March 31, 2024 and is required to pay:

- US$40,000 each January from 2022 to 2025 (2022, 2023 and 2024 payments were paid);
- US$50,000 each January from 2026 to 2030;
- US$100,000 each January thereafter. If the Company exercises its option to extend the lease term, this payment will be increased to US$200,000; and
- US$150,000 upon completion of a feasibility study.

Pursuant to the option agreement, the Company is required to incur the following amounts for exploration expenses on Flat:

	US$
2021 - 2023 (including no less than US$500,000 by the end of 2022)	1,000,000
2024 - 2026	2,000,000
2027 - 2029	2,500,000
Each three-year lease period commencing 2030	2,500,000

Eligible expenses include all actual direct costs incurred related to the exploration and development of Flat, including, without limitation, costs related to services performed outside of the property and reasonably allocated to operations on the property. The Company is permitted to carry-forward excess expenses and apply them against a future year. As at March 31, 2024, the Company incurred US$6,163,177 in cumulative expenses on Flat.

The Company has committed to contributing to the Doyon Foundation a US$10,000 scholarship for the term of the lease. The scholarship amount increases to US$50,000 each year following the commencement of commercial production at the Flat property. On April 16, 2024, the Company fulfilled its current year's commitment.

d) Porterfield

On October 18, 2023, the Company entered into a mining lease agreement for a 100% interest in the Porterfield Property ("Porterfield") located in the Mt. McKinley Recording District, State of Alaska, immediately north of Flat. The initial term of the lease is 20 years. The lessor was granted a 2% NSR for precious minerals and all other mineral products produced and sold from the Porterfield Property. At any time after the exercise of the option to purchase, the Company may buy back 1% of the NSR for US$1,500,000.

(Unaudited - Expressed in Canadian dollars, except where noted)

7. EXPLORATION AND EVALUATION ASSETS (continued)

In consideration, the Company paid $34,275 (US$25,000) upon signing and is required to pay:

- US$25,000 on or before each anniversary date from 2024 to 2026;
- US$50,000 on or before each anniversary date from 2027 to 2028; and
- US$50,000 on each subsequent anniversary date from 2029 to 2043.

At any time prior to October 18, 2029, the Company can exercise the option to purchase the claims by tendering either (i) a cash payment of US$200,000, (ii) common shares of the Company equivalent in value to US$200,000, or (iii) any combination of cash and common shares as elected by the Company.

Pursuant to the mining lease agreement, the Company is required to incur the following amounts for exploration expenses on Porterfield:

	US$
Before December 1, 2024	50,000
Before December 1, 2025	100,000
Before December 1, 2026	100,000
Before December 1, 2027	200,000
Before December 1, 2028	200,000

8. EXPLORATION AND EVALUATION EXPENSES

A summary of the Company's exploration and evaluation expenses for the three months ended March 31, 2024 is as follows:

	Tibbs	**Flat**	**Porterfield**	**Support and other**	**Total**
	$	$	$	$	$
Administrative expenses	-	-	2,569	6,893	9,462
Camp expenses	2,692	16,045	-	-	18,737
Computer software	-	2,575	282	8,857	11,714
Conference and conventions	-	-	-	8,714	8,714
Geological and geophysical consulting	7,868	95,278	634	11,562	115,342
Laboratory expenses	1,209	166,537	-	-	167,746
Salary	-	-	-	43,348	43,348
Sponsorship expense	-	-	-	15,000	15,000
Travel and meals	-	-	-	33,554	33,554
	11,769	**280,435**	**3,485**	**127,928**	**423,617**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION EXPENSES (continued)

A summary of the Company's exploration and evaluation expenses for the three months ended March 31, 2023 is as follows:

	Tibbs	Carrie and Mt. Harper	Flat	Support and other	Total
	$	$	$	$	$
Administrative expenses	322	305	11,882	-	12,509
Camp expenses	1,762	587	19,028	-	21,377
Computer software	865	784	4,445	1,288	7,382
Conference and conventions	-	-	-	4,643	4,643
Drilling program/planning	-	-	17,375	-	17,375
Geological and geophysical consulting	4,957	4,693	181,893	1,797	193,340
Land management	9,095	1,426	11,543	-	22,064
Laboratory expenses	-	-	38,064	-	38,064
Salary	-	-	-	2,585	2,585
Surveying program	-	-	8,174	-	8,174
	17,001	**7,795**	**292,404**	**10,313**	**327,513**

9. LEASE LIABILITY

A summary of the Company's lease liability is as follows:

	$
Balance, December 31, 2022	9,918
Lease payments	(10,125)
Interest expense	207
Balance, March 31, 2024 and December 31, 2023	**-**

On April 30, 2023, the Company's office lease expired and was not renewed. The Company now uses ad hoc office space as required on terms of one month or less.

10. RESTORATION PROVISION

As at March 31, 2024, the Company had a restoration provision of $359,512 (December 31, 2023 - $348,258). The restoration provision predominantly relates to future costs for camp and infrastructure removal at Flat. The undiscounted amount of estimated future cash flows was $384,820 (US$284,000). The liability was estimated using an expected life of 6.75 years an inflation rate of 2% and a risk-free pre-tax discount rate of 3.06%. During the three months ended March 31, 2024, the Company recognized $2,709 (2023 - $nil) accretion expense in relation to the restoration provision.

11. SHARE CAPITAL AND RESERVES

a) Authorized share capital

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

b) Issued share capital

As at March 31, 2024, 330,700,924 common shares (December 31, 2023 - 330,700,924) were issued and outstanding.

During the three months ended March 31, 2024, the Company did not have any share transactions, however the Company did recognize a $42,129 recovery of share issuance costs from the 2023 Private Placement.

(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL AND RESERVES (continued)

During the year ended December 31, 2023, the Company had the following share transactions:

On June 21, 2023, the Company issued 60,000 shares pursuant to the exercise of warrants at an exercise price of $0.17 for gross proceeds of $10,200. As a result of this exercise the $2,596 fair value attributed to the warrants was reclassified from reserves to share capital.

On June 23, 2023, the Company closed the first tranche of a private placement (the "2023 Private Placement") and issued 30,425,316 units at a price of $0.11 per unit for gross proceeds of $3,346,785. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.15 and will expire on June 23, 2025. The gross proceeds attributed to the warrants was $722,153. The Company paid cash share issuance costs of $321,228, of which $14,900 was to a related party and issued 1,143,296 finders' warrants with an aggregate fair value of $80,774. Each finders' warrant is exercisable at a price of $0.11 and will expire on June 23, 2025.

On August 10, 2023, the Company closed the second tranche of the 2023 Private Placement and issued 39,300,873 units at a price of $0.11 per unit for gross proceeds of $4,323,096. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.15 and will expire on August 10, 2025. The gross proceeds attributed to the warrants was $881,827. The Company paid cash share issuance costs of $275,041, of which $20,654 was to a related party and issued 1,261,630 finders' warrants with an aggregate fair value of $73,023. Each finders' warrant is exercisable at a price of $0.11 and will expire on August 10, 2025.

On September 29, 2023, the Company closed the third tranche of the 2023 Private Placement and issued 5,090,909 units at a price of $0.11 per unit for gross proceeds of $560,000. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.15 and will expire on September 29, 2025. The gross proceeds attributed to the warrants was $125,363. The Company paid cash share issuance costs of $68,534 of which $8,713 was to a related party.

On November 8, 2023, the Company closed an early exercise program for certain outstanding warrants (the "Warrant Incentive Program"). Pursuant to the Warrant Incentive Program, the Company offered holders of all 16,092,835 common share purchase warrants issued on May 30, 2022 (the "May Warrants") and all 3,591,670 common share purchase warrants issued on July 8, 2022 (the "July Warrants" together with the May Warrants, the "Outstanding Warrants") the opportunity to exercise early each of their Outstanding Warrants. In return for the early exercise, the holder would receive one common share, as per the original warrant terms, plus as an incentive, one common share purchase warrant (the "Incentive Warrant"). Each Incentive Warrant will allow the holder to acquire one common share at an exercise price of $0.13 and will expire on November 8, 2025. On the closing of the Warrant Incentive Program the Company issued 15,793,336 common shares and 15,793,336 Incentive Warrants for gross proceeds of $1,579,334. The gross proceeds attributed to the Incentive Warrants was $401,912 using the proportional value approach with $1,177,422 allocated to share capital. The Company paid cash share issuance costs of $17,531. Any Outstanding Warrants remaining un-exercised after November 8, 2023 will remain outstanding and continue to be exercisable on their existing terms.

c) Share purchase warrants

A summary of Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, December 31, 2022	97,705,386	0.14
Warrants issued	53,201,886	0.15
Finders' warrants issued	2,404,926	0.11
Expired	(38,086,367)	0.17
Exercised	(15,853,336)	0.10
Balance, March 31, 2024 and December 31, 2023	**99,372,495**	**0.13**

(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model ("BSM") for warrants issued during the three months ended March 31, 2024, and the year ended December 31, 2023, is as follows:

	2024	2023
Share price	**N/A**	$0.12
Exercise price	**N/A**	$0.14
Risk-free interest rate	**N/A**	4.33%
Expected life	**N/A**	2 years
Expected volatility	**N/A**	113.59%
Expected annual dividend yield	**N/A**	0.00%

A summary of the Company's outstanding warrants as at March 31, 2024, is as follows:

Expiry date	**Number of warrants**	**Weighted average exercise price**	**Weighted average remaining life**
	#	$	Years
May 30, 2024	2,143,640	0.10	0.16
July 8, 2024	2,256,668	0.10	0.27
November 17, 2024	39,365,375	0.12	0.63
June 23, 2025	15,212,658	0.15	1.23
June 23, 2025	1,143,296	0.11	1.23
August 10, 2025	19,650,437	0.15	1.36
August 10, 2025	1,261,630	0.11	1.36
September 29, 2025	2,545,455	0.15	1.50
November 8, 2025	15,793,336	0.13	1.61
	99,372,495	**0.13**	**1.04**

As at March 31, 2024, the weighted average remaining contractual life of the outstanding warrants was 1.04 years (December 31, 2023 - 1.29 years). During the year ended December 31, 2023, 38,086,367 warrants with a fair value of $1,728,557 expired unexercised.

d) Stock options

The Company has a stock option plan (the "Stock Option Plan"), whereby it may grant share options to eligible employees, officers, directors and consultants with an exercise price, expiry date and vesting conditions determined by the Company's Board of Directors. The maximum expiry date is ten years from the grant date. The Stock Option Plan permits the issuance of stock options, which together with the restricted share plan may not exceed 10% of the Company's issued common shares as at the date of grant.

A summary of Company's stock option activity is as follows:

	Number of stock options	**Weighted average exercise price**
	#	$
As at December 31, 2022	4,550,000	0.12
Granted	5,425,000	0.13
Forfeited	(600,000)	0.25
Balance, December 31, 2023	9,375,000	0.12
Granted	800,000	0.10
Forfeited	(375,000)	0.12
Balance, March 31, 2024	**9,800,000**	**0.12**

(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's weighted average inputs used in the BSM to calculate the fair value of stock options granted during the three months ended March 31, 2024, and the year ended December 31, 2023 is as follows:

	2024	2023
Exercise price	**$0.10**	$0.13
Share price	**$0.08**	$0.11
Risk-free interest rate	**3.50%**	4.17%
Expected life	**5 years**	5 years
Expected volatility	**115.66%**	115.35%
Expected annual dividend yield	**0.00%**	0.00%
Expected forfeiture rate	**0.00%**	7.7%

During the three months ended March 31, 2024, the Company had the following stock options grants:

On March 1, 2024, the Company issued 500,000 stock options to a newly appointed director, each option has an exercise price of $0.10 per common share of the Company and expires on March 1, 2029 vesting over a two-year period in four equal installments on the six-month anniversary dates and an additional 300,000 stock options to an employee with the same exercise price and expiry date vesting over a three-year period in three equal installments on the anniversary date.

During the year ended December 31, 2023, the Company had the following stock option grants:

On August 15, 2023, the Company issued 875,000 stock options to certain consultants, each option has an exercise price of $0.13 and expires on August 15, 2025 with 500,000 vesting immediately and 375,000 vesting over a two-year period in four equal installments on the six-month anniversary dates.

On August 15, 2023, the Company issued 3,300,000 stock options to certain directors, officers, employees and consultants, each option has an exercise price of $0.13 and expires on August 15, 2028 vesting over a two-year period in four equal installments on the six-month anniversary dates and 300,000 stock options to an employee with the same exercise price and expiry date vesting over a three-year period in three equal installments on the anniversary date.

On August 15, 2023, the Company issued 950,000 stock options to certain consultants, each option has an exercise price of $0.13 and expires on August 15, 2028 with varied vesting conditions relating to performance objectives associated with the Company's Flat drill program.

During the three months ended March 31, 2024, the Company recorded share-based compensation related to options granted of $56,107, respectively (2023 - $27,627).

A summary of the Company's stock options outstanding and exercisable as at March 31, 2024, is as follows:

Expiry date	**Number of stock options**	**Weighted average exercise price**	**Weighted average remaining life**
	#	$	Years
August 15, 2025	875,000	0.13	1.38
March 11, 2027	300,000	0.10	2.95
July 8, 2027	2,425,000	0.10	3.27
August 4, 2027	500,000	0.10	3.35
October 1, 2027	400,000	0.10	3.50
August 15, 2028	4,250,000	0.13	4.38
March 1, 2029	800,000	0.10	4.92
April 30, 2031	250,000	0.16	7.08
Outstanding	**9,800,000**	**0.12**	**3.82**
Exercisable	**3,943,750**	**0.11**	**3.45**

(Unaudited - Expressed in Canadian dollars, except where noted)

12. RELATED PARTY TRANSACTIONS

Key management personnel are those having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions with its key management personnel for the three months ended March 31, 2024 and 2023, is as follows:

	2024	2023
	$	$
Accounting and legal fees	**45,613**	41,769
Employee benefits and salary	**62,500**	206,315
Exploration and evaluation expenses	**43,750**	78,750
Share-based compensation	**29,029**	22,091
	180,892	348,925

As at March 31, 2024, accounts payable and accrued liabilities contain amounts due to related parties of $26,075 (December 31, 2023 - $82,077). The amounts have no specified terms of repayment and are due upon demand.

13. SEGMENTED INFORMATION

The Company operates in one reportable segment, the exploration and evaluation of unproven exploration and evaluation assets. The Company's primary exploration and evaluation assets are located in Alaska, and its corporate assets, comprising mainly cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues. All corporate expenses are incurred in Canada.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2024, the Company's financial instruments consist of cash, amounts receivable, deposits and accounts payable and accrued liabilities, all of which are measured at amortized cost.

The carrying value of cash, amounts receivable, deposits and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash. The risk exposure is limited because the Company places its instruments in institutions of high credit worthiness within Canada.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments with variable interest rates, other than cash and, therefore, is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required. As at March 31, 2024, the Company had sufficient cash on hand to discharge its financial liabilities as they become due but will require additional funding to continue operations.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial instruments held in USD, expressed in Canadian dollars is as follows:

	March 31, 2024	December 31, 2023
	$	$
Cash	**214,034**	650,167
Accounts payable and accrued liabilities	**(260,446)**	(371,061)
	(46,412)	279,106

As at March 31, 2024, a 5% change in the foreign exchange rates would result in a recovery of approximately $2,321 (December 31, 2023 - impact of $13,955) to the financial instruments denominated in USD. The Company has no hedging agreements in place with respect to foreign exchange rates.

15. CAPITAL MANAGEMENT

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or issue debt instruments. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity markets to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has not changed.

16. SUBSEQUENT EVENTS

On May 10, 2024, 150,000 stock options granted to a consultant were cancelled due to the termination of their consulting agreement.

On May 14, 2024, 225,000 stock options held by a former director expired unexercised.

On May 30, 2024, 2,143,640 warrants with an exercise price of $0.10 expired unexercised.