FOSTERVILLE SOUTH

EXPLORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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Independent Auditor's Report

To the Shareholders of Fosterville South Exploration Ltd.

Opinion

We have audited the consolidated financial statements of Fosterville South Exploration Ltd. and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of impairment indicators on Exploration and Evaluation Assets ("E&E Assets")

Description of the key audit matter

At each reporting date, management assesses the Company's E&E Assets for indicators of impairment in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. This assessment involves judgement, including whether the rights to tenure for the areas of interest are current, and the Company's ability and intention to continue to evaluate and develop the area of interest. We have therefore considered this a Key Audit Matter due to the judgement involved in the assessment of indicators of impairment.

Please refer to Note 3 to the consolidated financial statements for the Company's E&E Assets accounting policy, and Note 4 which details the critical judgements used in assessing the impairment of exploration and evaluation assets.

How the key audit matter was addressed in the audit

Our audit procedures included but were not limited to:

- obtaining and reviewing management's assessment of impairment indicators under IFRS 6,
- obtaining an understanding of the current exploration program and any associated risks through discussions with management and review of technical reports,
- assessing that the Company's right to tenure for the areas of interest are current, which included obtaining supporting documentation and performing title search for the mining licenses,
- considering the Company's ability and intention to continue to evaluate the area of interest, which included performing an assessment of the Company's cash flow forecast models, discussions with management as to the intentions and strategy of the Company, and comparison of these to other audited information.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 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 Mark Zastre.

BDO Canada LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 17, 2023

FOSTERVILLE SOUTH EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at		December 31, 2022		December 31, 2021
ASSETS				
Current				
Cash and cash equivalents	$	15,639,950	$	21,649,394
Receivables		35,380		61,291
Prepaid expenses		91,323		125,498
		15,766,653		21,836,183
Equipment (Note 5)		240,324		299,334
Exploration and evaluation assets (Note 6)		774,953		833,627
Reclamation bonds		69,224		60,087
	$	16,851,154	$	23,029,231
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 13)	$	235,030	$	330,841
Deferred acquisition payments – current portion (Note 7)		-		61,855
		235,030		392,696
SHAREHOLDERS' EQUITY				
Share capital (Note 9)		40,398,428		40,174,111
Contributed surplus		5,418,189		5,489,144
Accumulated other comprehensive (loss) income		(74,613)		27,838
Deficit		(29,125,880)		(23,054,558)
		16,616,124		22,636,535
	$	16,851,154	$	23,029,231

Nature of operations (Note 1)

Approved and authorized on behalf of the Board of Directors on March 17, 2023

"John Lewins" Director   "Robert McMorran" Director

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

FOSTERVILLE SOUTH EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the Year Ended			
		December 31, 2022		December 31, 2021
EXPENSES				
Accretion (Note 7)	$	7,078	$	17,897
Consulting fees		5,000		9,855
Depreciation (Note 5)		108,179		172,478
Directors' fees (Note 13)		72,000		72,000
Exploration expenditures (Notes 6 and 13)		4,524,620		5,872,002
Foreign exchange loss		3,986		16,531
Investor relations		84,000		567,679
Management fees (Note 13)		324,000		482,000
Office expenses		166,448		154,673
Professional fees (Note 13)		300,736		324,273
Share-based payments (Note 9)		24,962		3,885,051
Shareholder communications and marketing		453,682		532,060
Transfer agent, filing and listing fees		79,860		116,033
Travel		184,840		48,418
Loss before undernoted		(6,339,391)		(12,270,950)
Gain on disposal of equipment (note 5)		-		99,585
Interest income		268,069		68,545
Loss for the year		(6,071,322)		(12,102,820)
Other comprehensive loss				
Exchange difference on translation of foreign operations		(102,451)		(95,499)
Comprehensive Loss for the year	$	(6,173,773)	$	(12,198,319)
Basic and diluted loss per common share	$	(0.09)	$	(0.18)
Basic and diluted weighted average number of common shares outstanding		68,130,375		67,918,383

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

FOSTERVILLE SOUTH EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars, except for share figures)

	Number	Amount	Contributed Surplus	Accumulated Other Comprehensive loss	Deficit	Total
Balance, December 31, 2020	67,918,383	$ 40,174,111	$ 1,604,093	$ 123,337	$ (10,951,738)	$ 30,949,803
Share-based payments	-	-	3,885,051	-	-	3,885,051
Loss for the year	-	-	-	(95,499)	(12,102,820)	(12,198,319)
Balance, December 31, 2021	67,918,383	40,174,111	5,489,144	27,838	(23,054,558)	22,636,535
Stock-options exercised	321,000	224,317	(95,917)	-	-	128,400
Share-based payments	-	-	24,962	-	-	24,962
Loss for the year	-	-	-	(102,451)	(6,071,322)	(6,173,773)
Balance, December 31, 2022	68,239,383	$ 40,398,428	$ 5,418,189	$ (74,613)	$ (29,125,880)	$ 16,616,124

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

FOSTERVILLE SOUTH EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the Year Ended	
	December 31, 2022	**December 31, 2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the year	$ (6,071,322)	$ (12,102,820)
Items not involving cash:		
Accretion	7,078	17,897
Depreciation	108,179	172,478
Finance expense	-	2,979
Gain on disposal of equipment	-	(99,585)
Share-based payments	24,962	3,885,051
Changes in non-cash working capital items:		
Receivables	25,911	160,213
Prepaid expenses	34,175	139,449
Accounts payable and accrued liabilities	(95,811)	(380,348)
Net cash used in operating activities	(5,966,828)	(8,204,686)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deferred exploration and evaluation property acquisition payments	(67,281)	(68,862)
Reclamation bonds	(9,137)	(25,786)
Equipment acquisition costs	(50,496)	(212,833)
Equipment dispositions	-	233,996
Held for distribution – sale of assets	-	730,079
Held for distribution – transaction costs incurred	-	(145,000)
Net cash provided by (used in) investing activities	(126,914)	511,594
CASH FLOW FROM FINANCING ACTIVITIES:		
Exercise of stock options	128,400	-
Repayment of lease liabilities	-	(13,167)
Net cash (used in) provided by financing activities	128,400	(13,167)
Change in cash and cash equivalents during the year	(5,965,342)	(7,706,259)
Foreign exchange	(44,102)	(56,379)
Cash and cash equivalents – beginning of the year	21,649,394	29,412,032
Cash and cash equivalents – end of the year	$ 15,639,950	$ 21,649,394

Supplemental disclosure with respect to cash flows (Note 14)

1. NATURE OF OPERATIONS

Fosterville South Exploration Ltd. ("the Company" or "Fosterville") was incorporated under the Business Corporations Act of British Columbia on July 22, 2019. The Company is engaged in the acquisition, exploration and development of mineral properties in Australia. The Company's head office is located at 488 – 1090 West Georgia Street, Vancouver, BC V6E 3V7.

On March 18, 2020, the Company filed its initial prospectus and on April 14, 2020, the Company's shares commenced trading on the TSX Venture Exchange (the "TSX-V") under the symbol FSX.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While management believes that the Company is adequately capitalized and while the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments measured at fair value through profit and loss.

Consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned and controlled subsidiaries, Currawong Resources Pty Ltd., incorporated in Australia on September 10, 2014 ("Currawong") from its date of acquisition (Note 6), Bendigo Gold Corp. ("Bendigo"), incorporated in Canada on November 8, 2019.

2. BASIS OF PREPARATION (Cont'd…)

Fosterville and Bendigo have a functional currency of Canadian Dollar (CAD). Currawong Australia have a functional currency of the Australian Dollar (AUD).

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial asset debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd…)

Financial instruments (Cont'd…)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

Foreign Currencies

The presentation currency of the Company is the Canadian dollar. The functional currency is the currency of the primary economic environment in which the entity operates.

Entities whose functional currencies differ from the presentation currency are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive loss as cumulative translation differences.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the 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 assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive loss related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive loss related to the subsidiary are reallocated between controlling and non-controlling interests.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd…)

Equipment

Equipment includes furniture, equipment and leasehold improvements, which is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures directly attributable to bringing the asset to its operating location and condition necessary for it to be capable of operating in the intended manner.

Repairs and maintenance costs are charged to expense as incurred, except when these repairs significantly extend the life or result in an operating improvement. In these instances, the portion of these repairs relating to the betterment is capitalized as part of equipment.

Depreciation is based on the cost of the assets less estimated residual value and the expected useful life. Where an item of equipment is comprised of major components with different useful lives, the components are accounted for as separate items and depreciated separately. Depreciation commences when an asset is available for use and is recorded until an asset is disposed of or otherwise removed from services. Depreciation is recorded using the straight-line method over three years for equipment. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

Exploration and Evaluation Assets

All costs related to the acquisition of exploration and evaluation assets are capitalized on an individual prospect basis. Amounts received for the sale of mineral properties and for option payments are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof. Subsequent recovery of the resulting carrying value depends on successful development or sale of the mineral property. If a mineral property does not prove viable, all unrecoverable costs associated with the project net of any impairment provisions are written off.

Exploration and evaluation expenditures are recognized in profit or loss. Costs incurred before the Company has obtained legal rights to explore on areas of interest are recognized in profit or loss. Expenditures incurred by the Company in connection with the exploration and evaluation of mineral resources after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable are capitalized.

Impairment equipment and exploration and evaluation assets

At each reporting date, the carrying amounts of the Company's equipment and exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be 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 to sell and the value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. Impairment is assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd…)

Impairment equipment and exploration and evaluation assets (Cont'd…)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at December 31, 2022, the Company has no known material restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets. In order to obtain the necessary exploration permits, the Company posted reclamation bonds of $69,224 (2021 - $60,087).

Leases

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 an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of- use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

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 recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd…)

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Common shares and warrants issued by the Company are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, with the common shares being valued first and the balance, if any, is allocated to the attached warrants.

Warrants issued to agents or brokers on a non-cash basis in connection with corporate financings are recorded at fair value using the Black-Scholes option pricing model and charged against share capital as issue costs with an offsetting increase to contributed surplus.

Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive. Contingently releasable escrow common shares are excluded from the calculation of weighted average number of common shares outstanding.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd…)

Share-based payments (Cont'd…)

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

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

Income tax

Income tax on the profit or loss for the periods 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 period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the 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. The Company does not provide for temporary differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. 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 the statement of financial position reporting date 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 income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Cash and equivalents

Cash and cash equivalents comprise cash on deposit with banks and highly liquid short-term interest-bearing investments that may be redeemed at any time or with a term to maturity at the date of purchase of 90 days or less which are subject to an insignificant risk of change in value.

New accounting standards issued but not yet effective

There are no accounting standards, amendments or interpretations that are not yet effective that are expected to have a material impact on the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only; in the period of the change and future periods, if the change affects both.

Critical Judgments

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

Title to mineral property interests

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

Impairment of exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project. Management has assessed these indicators and does not believe an impairment provision is required.

Issuances of shares for properties

Management makes judgments in determining the share price attributed to issuances of shares for mineral properties. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed to properties could be materially different.

Key Sources of Estimation Uncertainty

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Share-based payments

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

(Expressed in Canadian Dollars)

5. EQUIPMENT

		Vehicles		Equipment		Right of Use Asset (lease)		Total
Cost								
Balance at December 31, 2020	$	100,934	$	393,062	$	62,244	$	556,240
Additions		124,975		87,858		-		212,833
Disposals / derecognition		-		(233,996)		(59,608)		(293,604)
Foreign exchange		(9,298)		(21,865)		(2,636)		(33,799)
Balance at December 31, 2021		216,611		225,059		-		441,670
Additions		-		50,496		-		50,496
Foreign exchange		(212)		686		-		474
Balance at December 31, 2022	$	216,399	$	276,241	$	-	$	492,640
Accumulated depreciation								
Balance at December 31, 2020	$	15,260	$	74,778	$	14,259	$	104,297
Depreciation		45,606		115,700		11,172		172,478
Disposals / derecognition		-		(101,895)		(24,827)		(126,722)
Foreign exchange		(2,011)		(5,102)		(604)		(7,717)
Balance at December 31, 2021		58,855		83,481		-		142,336
Depreciation		30,964		77,215		-		108,179
Foreign exchange		499		1,302		-		1,801
Balance at December 31, 2022	$	90,318	$	161,998	$	-	$	252,316
Carrying amount								
As at December 31, 2021	$	157,756	$	141,578	$	-	$	299,334
As at December 31, 2022	$	126,081	$	114,243	$	-	$	240,324

6. EXPLORATION AND EVALUATION ASSETS

Currawong Projects

During the year ended December 31, 2019, the Company acquired a 100% right, title and interest in and to certain Central Victoria Properties in Australia, through the acquisition of Currawong. Pursuant to the terms of a share purchase agreement, the Company issued 3,000,000 common shares of the Company and paid AUD$300,000 over a period of three years (note 7). The transaction was accounted for as an asset purchase of mineral property interests and $686,389 was allocated to the fair value of exploration and evaluation assets. The Central Victoria Properties are exploration stage properties comprised of the Golden Mountain Project, the Providence Project, the Lauriston Gold Project, and other exploration license applications filed with the state of Victoria, in the south east area of Australia.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Beechworth Projects

During the year ended December 31, 2020 the Company entered into a property acquisition agreement with Northern Mine Ventures P/L ("Northern Mine"), under which it acquired the 36-square-kilometre Beechworth gold project in Victoria, Australia, held within EL4697 and RLA006013 by Northern Mine.

Pursuant to the terms of the 2020 agreement between the Company and Northern Mine, the Company paid CAD$49,175 (AUD $50,000) to Northern Mine and agreed to pay an additional AUD $250,000 on the date that the granted Exploration Licence is converted to a Retention Licence (the application to convert to a Retention Licence has been filed but has not been converted). The Company also agreed to incur AUD $130,000 in exploration expenditures on the project within 90 days. Northern Mine retained a 2.5% NSR, which may be repurchased with a one-time payment of AUD $2,000,000.

Moormbool, Avoca and Timor Projects

During the year ended December 31, 2020 the Company entered into a purchase agreement with Mercator Gold Australia Pty. Ltd. ("Mercator"), a subsidiary of Alternative Investment Market-listed ECR Minerals PLC, whereby it acquired a 100% interest in three high-grade gold projects called the Timor project, the Avoca project and the Moormbool project.

During the year ended December 31, 2020, the Company completed a spin-out of its wholly owned subsidiary Leviathan Gold Ltd. ("Leviathan"). During the year ended December 31, 2021, the Timor and Avoca projects were sold to Leviathan for AUD$764,081 (CAD$730,079), and consequently the Company only holds the Moormbool project.

Under the terms of the purchase agreement, the Company paid $448,495 (AUD$500,000) to Mercator in consideration of a 100% interest in the three gold projects. The Company will also pay Mercator AUD$1 for every ounce of gold or gold equivalent of measured resource, indicated resource or inferred resource (the "Resource Payment") within one or more of the tenements comprising the gold projects, which payment shall not exceed a total of AUD$1,000,000. In the event the Company carries out commercial production on the gold projects, the Company will pay Mercator AUD$1 for every ounce of gold or gold equivalent ounces produced from the tenements comprising the gold projects, which payment shall not exceed a total of AUD$1,000,000 (the "Commercial Production Payment").

Other Projects

In addition to the projects listed above, the Company has submitted tenement applications for new projects, including the Walhalla Project, and other areas contiguous to current projects. All projects are in Victoria, Australia.

Below is a summary of the changes in the exploration and evaluation assets for the years ended December 31, 2022 and December 31, 2021:

	December 31, 2022	December 31, 2021
Balance, beginning of year	$ 833,627	$ 847,710
Foreign exchange	(58,674)	(14,083)
Balance, end of year	$ 774,953	$ 833,627

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

During the year ended December 31, 2022, the Company incurred exploration costs as follows:

Exploration Expenditures	Golden Mountain Project	Lauriston Project	Beechworth Project	Providence Project	Walhalla	Other Projects and General Exploration	Total
Assay	$ 42,229	$ 55,943	$ 26,579	$ 45,895	$ 8,842	$ 906	$ 180,394
Data compilation	555	8,463	19	1,566	892	38,545	50,040
Drilling	481,339	220,215	139,434	793,623	151,283	57,842	1,843,736
Equipment rental	103	60,013	2,674	9,289	14,378	951	87,408
Field expenditures	38,551	42,406	19,784	63,880	20,195	14,470	199,286
Geological consulting	95,257	193,457	30,011	83,656	71,082	13,009	486,472
Geophysics and surveying	-	63,729	9,893	23,843	36,353	-	133,818
Project administration	10,608	22,958	2,552	21,970	9,705	4,457	72,250
Salaries and wages	180,951	226,548	129,727	274,859	60,748	223,825	1,096,658
Sampling	-	27,957	10,402	-	8,687	2,971	50,017
Tenement administration & fees	24,170	66,753	24,472	38,637	33,677	26,054	213,763
Travel	25,266	14,207	16,757	28,807	3,327	22,414	110,778
	$ 899,029	$1,002,649	$ 412,304	$1,386,025	$ 419,169	$ 405,444	$4,524,620

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

During the year ended December 31, 2021, the Company incurred exploration costs as follows:

Exploration Expenditures	Golden Mountain Project	Lauriston Project	Beechworth Project	Providence Project	Walhalla	Other Projects and General Exploration	Total
Assay	$ 57,648	$ 35,672	$ 70,872	$ 36,172	$ 18,605	$ 13,257	$ 232,226
Data compilation	24,767	11,757	10,059	16,217	17,411	21,484	101,695
Drilling	600,836	410,040	641,949	327,731	345,585	84,909	2,411,050
Equipment rental	34,522	11,551	25,658	24,065	14,130	3,153	113,079
Field expenditures	64,571	29,875	35,715	84,721	34,044	21,641	270,567
Geological consulting	201,633	124,589	121,293	143,040	57,021	15,971	663,547
Geophysics	68,751	90,401	66,367	43,288	39,153	4,867	312,827
Project administration	21,521	4,616	37,793	16,533	9,178	39,986	129,627
Salaries and wages	184,551	110,186	165,543	130,521	181,189	399,994	1,171,984
Sampling	7,727	1,450	3,072	8,180	2,034	4,892	27,355
Tenement administration & fees	62,168	43,445	51,144	69,013	61,103	55,359	342,232
Travel	12,689	611	36,195	20,338	20,994	4,986	95,813
	$ 1,341,384	$ 874,193	$ 1,265,660	$ 919,819	$ 800,447	$ 670,499	$5,872,002

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Under Australian mining laws, the Company is required to incur AUD$15,000 plus AUD $150 per km2 in first year, AUD $200 per km2 for each of second, third and fourth year and AUD $300 per km2 for each year thereafter. The expenditure commitment per km2 increases over time, but is offset by forced tenement area reductions on the second and fourth anniversary of 25% and 40% respectively.

Pursuant to the Australian mineral rights regulations, the Company is required to incur annual minimum exploration expenditures to maintain the exploration licenses. The Company estimates the following annual minimum exploration expenditures to fall due, based on both granted licenses and the anticipated timing of pending licenses being granted, to be AUD$650,275 in 2023, AUD$941,825 in 2024, AUD$955,120 in 2025, AUD$895,140 in 2026, and AUD$899,425 in 2027.

7. DEFERRED ACQUISITION PAYMENTS

On August 8, 2019, the Company closed the acquisition of Currawong through the issuance of 3,000,000 common shares and agreeing to make total payments of AUD$300,000 as follows:

- AUD$75,000 on closing (paid $68,241);
- AUD$75,000 by August 8, 2020 (paid $71,702);
- AUD$75,000 by August 8, 2021 (paid $68,862); and
- AUD$75,000 by August 8, 2022 (paid $67,281).

The fair value of the deferred payments of $142,037 over a three-year period was determined on the date of the acquisition using a discounted cash flow model. A discount rate of 20% was used. The changes in the value of the deferred payments are as follows:

	December 31, 2022 $	December 31, 2021 $
Balance, beginning of year	61,855	121,162
Accretion expense	7,078	17,897
Payments	(67,281)	(68,862)
Foreign exchange	(1,652)	(8,342)
Balance, end of year	-	61,855
Current portion	-	61,855
Non-current portion	-	-

(Expressed in Canadian Dollars)

8. LEASE LIABILITY

		December 31, 2021
Balance, December 31, 2020	$	50,726
Lease liability recognized		-
Lease payments		(13,167)
Accrued finance expense		2,979
Foreign exchange		(5,757)
Termination of lease		(34,781)
Balance, December 31, 2021 and 2022	$	-
Current portion		-
Non-current portion		-
	$	-

During the year ended December 31, 2020, the Company leased a storage warehouse in Bendigo, Australia. The lease term has been estimated at 4 years, which includes a 2-year optional extension. The lease liability was discounted at a rate of 9%. During the year ended December 31, 2021 the Company terminated the lease.

9. SHARE CAPITAL

Authorized – Unlimited common shares without par value.

Share issuances

During the year ended December 31, 2022 the Company received $128,400 from the exercise of 321,000 stock options.

During the year ended December 31, 2021, the Company did not issue any shares.

Escrowed shares

As at December 31, 2022, the Company had 2,925,000 common shares subject to escrow release restrictions based on time, which will be released on April 14, 2023.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (cont'd…)

Stock Options and Warrants

The Directors of the Company adopted a stock option plan on December 12, 2019 (the "Option Plan"). The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's common shares issued and outstanding at the time such options are granted. Options may be granted under the Option Plan to such directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director, officer, employee or consultant, or 2% of the issued common shares, if the individual is engaged in providing investor relations services, in a twelve month basis, unless disinterested shareholder approval is obtained. All options granted under the Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability.

During the year ended December 31, 2022 the Company granted nil (2021 – 3,600,000) stock options exercisable at $nil) (2021 - $1.57) per option for a five-year term to directors, officers and consultants of the Company. During the year ended December 31, 2022 the Company recorded $24,962 (2021 - $3,885,051) of share-based payments expense related to stock options granted and vested.

The following weighted average assumptions were used for the valuation of stock options during the years ended December 31:

	2022	**2021**
Risk-free interest rate	-	0.95%
Expected life of options	-	5 years
Annualized volatility	-	90.78%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

The changes in the stock options and share purchase warrants for the year ended December 31, 2022 are as follows:

	Stock Options		**Warrants**	
	Number	**Weighted Average Exercise Price**	**Number**	**Weighted Average Exercise Price**
Balance, December 31, 2020	2,475,000	$ 0.40	3,737,063	$ 2.68
Granted	3,600,000	1.57	-	-
Balance, December 31, 2021	6,075,000	1.09	3,737,063	2.68
Exercised	(321,000)	0.40	-	-
Expired	-	-	(3,737,063)	2.68
Balance, exercisable and outstanding, December 31, 2022	5,754,000	$ 1.13	-	$ -

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (cont'd…)

Stock Options and Warrants (cont'd…)

The Company had no share purchase warrants outstanding as at December 31, 2022. The balance of stock options outstanding as at December 31, 2022 was as follows:

Expiry Date	Number	Exercise Price	Remaining Life (Years)
Stock options			
April 14, 2025	2,154,000	$ 0.40	2.54
April 19, 2026	3,600,000	1.57	3.55

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

There were no changes to the Company's approach to capital management during the year ended December 31, 2022.

11. INCOME TAXES

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes for the years ended December 31, 2022 and 2021 are as follows:

		2022		2021
Loss before income taxes	$	6,071,322	$	(12,102,820)
Expected income tax (recovery)	$	(1,639,000)	$	(3,268,000)
Change in statutory, foreign tax and other		(150,000)		3,000
Non-deductible expenses		(79,000)		927,000
Change in unrecognized deductible temporary differences		1,868,000		2,338,000
Income tax recovery	$	-	$	-

(Expressed in Canadian Dollars)

11. INCOME TAXES (cont'd…)

The significant components of the Company's deferred income tax assets as at December 31, are as follows:

	2022 $	2021 $
Non-capital loss carry forward	6,952,761	4,929,592
Share issue and financing costs	342,832	515,549
Resource property costs	(7,340)	(7,347)
Plant and equipment	(72,097)	(89,800)
Foreign exchange and other	965	974
Unrecognized deferred income tax assets	(7,217,121)	(5,348,968)
Net deferred tax asset	-	-

As at December 31, 2022, the Company has non-capital losses carried forward in Canada for income tax purposes of approximately $9,556,181 (2021 - $7,516,783) available to offset future income for income tax purposes which expire in 2040 through 2042. The Company also has tax losses in Australia of approximately $14,575,307 (2021 - $9,666,870) which may be carried forward indefinitely and applied against future assessable income. Future tax benefits, which may arise as a result of these losses, have not been recognized in these consolidated financial statements.

12. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash and cash equivalents as FVTPL and receivables, accounts payable and accrued liabilities, and deferred acquisition payments as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at December 31, 2022, the Company believes that the carrying values of receivables, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations. The carrying value of deferred acquisition payments approximates fair value because the factors considered in assessing the fair value of this item have not changed from the issuance date to December 31, 2022. The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

12. FINANCIAL INSTRUMENTS (cont'd…)

b) Management of risks arising from financial instruments (cont'd…)

Credit risk
Credit risk arises from cash and cash equivalents held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash and cash equivalents is held with reputable Canadian and Australian banks. The credit risk related to cash and cash equivalents is considered minimal.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk
The Company manages liquidity risk by maintaining sufficient cash and cash equivalents to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Contractual cash flow requirements as at December 31, 2022 were as follows:

	< 1 year $	1 – 2 years $	3 – 5 years $	Total $
Accounts payable and accrued liabilities	235,030	-	-	235,030
Total	235,030	-	-	235,030

Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in Canadian dollars, Australian dollars and US dollars. Any fluctuations of the Canadian dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS

Key management compensation consists of the Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and the Board of Directors. The Company incurred charges to directors and officers, or to companies associated with these individuals, during the years ended December 31, 2022 and 2021 as follows:

	December 31, 2022 $	December 31, 2021 $
Directors fees	72,000	72,000
Management fees	324,000	482,000
Exploration related and Geological consulting fees	436,982	541,010
Professional fees	210,062	270,864
Rent, included in office expenses	54,198	47,092
Share issuance costs	-	-
Share-based payments	-	2,280,841
	1,097,242	3,693,807

As at December 31, 2022, $136,836 (December 31, 2021 - $181,739) was included in accounts payable and accrued liabilities owing to directors, officers, and companies controlled or affiliated with directors and officers of the Company in relation to fees and reimbursement of expenses.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no material non-cash transactions during the year ended December 31, 2022.

During the year ended December 31, 2021, the Company terminated a lease and derecognized a Right of Use asset and the corresponding lease liability of $34,781.

15. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Victoria, Australia, refer to Note 6.