Talisker
RESOURCES

Condensed Interim Consolidated Financial Statements
(Unaudited)

As at and for the three and nine months ended September 30, 2023 and 2022

(in Canadian dollars)

Talisker Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in Canadian dollars)

As at,	Notes		September 30, 2023		December 31, 2022
ASSETS					
Current assets					
Cash and cash equivalents	4	$	**6,490,291**	$	5,726,452
Amounts receivable	5		**174,855**		184,076
Inventory			**57,086**		38,203
Prepaid expenses			**600,251**		480,558
Total current assets			**7,322,483**		6,429,289
Reclamation deposits	10		**1,468,300**		1,468,300
Long term receivable	5		**1,807,486**		-
Property, plant and equipment	6		**7,157,740**		7,560,341
Exploration and evaluation assets	7		**20,663,250**		29,181,106
TOTAL ASSETS		$	**38,419,259**	$	44,639,036
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	8, 16	$	**3,133,141**	$	3,190,754
RSU Liability	14		**39,356**		114,368
Current portion of lease obligation	9		**146,542**		268,134
Total current liabilities			**3,319,039**		3,573,256
Provision for site reclamation and closure	10		**19,444,422**		18,977,039
Lease payable	9		**201,950**		20,028
Flow through premium liability	12		**-**		1,951,000
Total liabilities			**22,965,411**		24,521,323
Shareholders' equity					
Issued capital	11		**98,297,423**		98,154,998
Share-based payment reserve	14		**3,092,236**		3,723,245
Warrant reserve	13		**5,957,200**		5,957,200
Accumulated deficit			**(91,893,011)**		(87,717,730)
Total shareholders' equity			**15,453,848**		20,117,713
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	**38,419,259**	$	44,639,036

Nature of operations and going concern (note 1)
Events after the reporting period (note 18)

On behalf of the Board:

Signed: "Terence Harbort"	*Signed: "Morris Prychidny"*
Terence Harbort	Morris Prychidny
Chief Executive Officer and Director	Director

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

Talisker Resources Ltd.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian dollars)

	Notes	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Expenses					
Exploration and evaluation expenditures	7	$ **1,556,911**	$ 1,570,941	$ **1,757,681**	$ 16,726,855
Mine care and maintenance costs		**160,240**	344,060	**709,927**	1,346,235
Consulting and wages	16	**625,601**	686,255	**1,713,050**	2,451,335
Administration		**400,536**	220,781	**778,179**	963,153
Share-based expense	14	**19,835**	45,285	**58,858**	138,562
Public company costs		**68,850**	129,781	**433,710**	854,806
Travel and other		**50,996**	44,079	**155,297**	182,467
Depreciation of property, plant and equipment	6	**335,259**	313,736	**963,587**	934,609
Total expenses		**3,218,228**	3,354,918	**6,570,289**	23,598,022
Other income and expense					
Finance expense (income)		**(638)**	(30)	**(42,178)**	20,167
Foreign currency translation (gain) loss		**(135,552)**	8,086	**(155,195)**	12,345
Realized (gain) on marketable securities		**-**	(137,832)	**-**	(1,257,118)
Unrealized (gain) on marketable securities		**-**	1,041,400	**-**	(637,175)
Gain on revaluation of RSU liability		**(27,460)**	(77,150)	**(71,018)**	(136,323)
Loss from investment in associate		**-**	-	**-**	749,073
Loss from disposal of assets		**-**	-	**-**	71,010
Accretion on site reclamation and closure	10	**157,507**	147,029	**467,383**	436,294
		(6,143)	981,503	**198,992**	(741,727)
Loss before income taxes		**3,212,085**	4,336,421	**6,769,281**	22,856,295
Income tax recovery	12	**-**	(1,637,000)	**(1,951,000)**	(8,623,000)
Net loss and comprehensive loss		$ **3,212,085**	$ 2,699,421	$ **4,818,281**	$ 14,233,295
Loss per share - basic and diluted		**$ 0.04**	$ 0.04	**$ 0.06**	$ 0.22
Weighted average common shares outstanding		**76,994,961**	71,973,866	**76,964,654**	66,052,758

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

Talisker Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(Expressed in Canadian dollars)

	Number of Shares	Issued Capital	Share-based Payment Reserve	Warrant Reserve	Retained earnings (deficit)	Total
		(Note 11)	(Note 14)	(Note 13)		
Balance as at December 31, 2021	**57,138,106**	**$ 83,302,460**	**$ 4,152,000**	**$ 4,357,200**	**$ (69,119,729)**	**$ 22,691,931**
Issue of shares pursuant to private placement, net of issue costs (Note 11)	19,513,400	18,248,313	-	1,600,000	-	19,848,313
Flow through premium liability (Note 11)	-	(3,588,000)	-	-	-	(3,588,000)
Issue of shares for acquisition of mineral properties (Note 7)	25,000	31,625	-	-	-	31,625
Issued pursuant to agreement	87,376	80,000	-	-	-	80,000
Exercise of RSU's (Note 11)	52,000	80,600	-	-	-	80,600
Expiry of stock options	-	-	(343,440)	-	343,440	-
Net loss for the period	-	-	-	-	(14,233,295)	(14,233,295)
Balance as at September 30, 2022	**76,815,882**	**98,154,998**	**3,808,560**	**5,957,200**	**$ (83,009,584)**	**$ 24,911,174**
Share based payments - options	-	-	6,605	-	-	6,605
Expiry of stock options	-	-	(91,920)	-	91,920	-
Net loss for the period	-	-	-	-	(4,800,066)	(4,800,066)
Balance as at December 31, 2022	**76,815,882**	**98,154,998**	**3,723,245**	**5,957,200**	**$ (87,717,730)**	**$ 20,117,713**
Issue of shares for acquisition of mineral properties (Note 7)	60,000	34,500	-	-	-	34,500
Exercise of RSU's (Note 11)	95,333	67,925	-	-	-	67,925
Issued pursuant to agreement	114,286	40,000	-	-	-	40,000
Share based payments - options	-	-	11,991	-	-	11,991
Expiry of stock options	-	-	(643,000)	-	643,000	-
Net loss for the period	-	-	-	-	(4,818,281)	(4,818,281)
Balance as at September 30, 2023	**77,085,501**	**98,297,423**	**3,092,236**	**5,957,200**	**$ (91,893,011)**	**$ 15,453,848**

The shares outstanding presented have been adjusted to reflect the effect of the 5:1 share consolidation that took place on September 1, 2023. Common shares, options, RSUs, warrants and per share amounts have been adjusted for the 5:1 share consolidation unless otherwise noted.

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

Talisker Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in Canadian dollars)

For the nine month periods ended September 30,	Notes	**2023**	2022
Cash provided by (used in):			
Operating activities			
Net loss for the period		$ **(4,818,281)**	$ (14,233,295)
Items not involving cash:			
Income tax recovery	12	**(1,951,000)**	(8,623,000)
Loss from investment in associate		**-**	749,073
Gain on revaluation of RSU liability		**(71,018)**	(136,323)
Share based payments	14	**75,922**	147,064
Shares issued pursuant to agreement		**-**	80,000
Accretion on site reclamation and closure	10	**467,383**	436,294
Depreciation of property, plant and equipment	6	**963,587**	934,609
Loss on disposal of assets		**-**	71,010
Realized gain on marketable securities		**-**	(1,257,118)
Unrealized gain on marketable securities		**-**	(637,175)
Shares issued pursuant to property agreement	7	**57,250**	-
Working capital changes			
Change in amounts receivable		**9,221**	151,357
Change in long term receivable		**(1,807,486)**	319,181
Change in inventory		**(18,883)**	20,987
Change in prepaid expenses		**(119,693)**	143,870
Change in accounts payable and accrued liabilities		**(57,613)**	(3,451,069)
Cash flows used in operating activities		**(7,270,611)**	(25,284,535)
Investing activities			
Proceeds from sale of NSR, net of costs	7	**8,586,706**	-
Acquisition of exploration and evaluation assets	7	**(51,600)**	(45,000)
Acquisition of property, plant and equipment, net of sales	6	**(256,073)**	(100,240)
Sales of marketable securities		**-**	1,501,864
Cash provided by investing activities		**8,279,033**	1,356,624
Financing activities			
Issue of shares pursuant to private placement	11	**-**	21,532,875
Share issue costs	11	**-**	(1,665,062)
Repayment of lease and equipment loans	9	**(244,583)**	(223,808)
Cash flows (used in) provided by financing activities		**(244,583)**	19,644,005
Net increase (decrease) in cash and cash equivalents for the period		**763,839**	(4,283,906)
Cash and cash equivalents, beginning of the period		**5,726,452**	12,571,890
Cash and cash equivalents, end of the period		$ **6,490,291**	$ 8,287,984
Supplementary cash flow information			
Interest received		$ **57,465**	$ 8,821

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Talisker Resources Ltd. ("Talisker" or the "Company") is a publicly listed company incorporated in British Columbia and continued in the Province of Ontario. The Company is engaged in exploration and evaluation of mineral properties in British Columbia. The Company's shares are traded on the Toronto Stock Exchange (the "TSX") under the symbol TSK. The head office and registered address of the Company is located at 130 Adelaide Street West, Suite 3002, Toronto, Ontario, M5H 3P5.

The condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's ability to continue as a going concern is dependent upon attaining profitable operations, and the ability to raise public equity or other financing to meet expenditure commitments in the next twelve months. Notwithstanding the royalty financing in Q2 as included in Note 7 as well as the financing subsequent to the period end as included in Note 18, there is no assurance that these activities will be successful in the future. As at September 30, 2023, the Company had cash of $6,490,291 and for the nine-month period then ended, the Company recorded an accumulated deficit of $91,893,011 (December 31, 2022: $87,717,730), net loss of $4,818,281 (2022: $14,233,295), and net cash used in operating activities of $7,270,611 (2022: $25,284,535). The combination of these circumstances set out above represents a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern as the Company progresses towards the development of the Bralorne Gold project. However, the Company is confident that it will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its condensed interim consolidated financial statements. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used that would be necessary if the going concern assumptions were not appropriate. These adjustments would be material to the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 13, 2023.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2022 annual financial statements.

2. BASIS OF PRESENTATION (continued)

Principles of Consolidation

These condensed interim consolidated financial statements for the three and nine month periods ended September 30, 2023 and 2022 include the financial position, financial performance and cash flows of the Company and its subsidiaries detailed below:

Subsidiary	Country of Incorporation	Economic Interest	Basis of Accounting
Bralorne Gold Mines Ltd.	Canada	100%	Full consolidation
New Carolin Gold Corp.	Canada	100%	Full consolidation

Subsidiaries - Subsidiaries are entities over which the Company has control, whereby control is defined as the power to direct activities of an entity that significantly affect the entity's returns so as to obtain benefit from its activities. Control is presumed to exist where the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date at which control ceases.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Exploration and Evaluation ***Assets' carrying values and impairment charges*** - The Company assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

- ***Share-based payments*** – The Company determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- ***Provision for site reclamation and closure*** – Provisions for site reclamation and closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 10. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

4. CASH AND CASH EQUIVALENTS

The balance at September 30, 2023 consists of cash on deposit with major Canadian banks in interest bearing accounts totaling $6,390,291 (December 31, 2022 - $5,626,452) and guaranteed investment certificates with major Canadian banks of $100,000 (December 31, 2022 - $100,000) for total cash and cash equivalents of $6,490,291 (December 31, 2022 - $5,726,452).

During the nine month period ended September 30, 2023, the Company recognized interest income of $57,465 (2022 - $8,821).

5. AMOUNTS RECEIVABLE

As at,		**September 30, 2023**		December 31, 2022
HST receivable	**$**	**118,517**	$	161,251
Other receivables		**56,338**		22,825
	$	**174,855**	$	184,076

At September 30, 2023, the Company anticipates full recovery of these amounts and therefore no expected credit loss has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at September 30, 2023 and December 31, 2022.

Long Term Receivable

As at September 30, 2023, the Company recognized a receivable of $1,807,486 (December 31, 2022 - $nil) related to B.C. tax mining credits. The Company expects to receive the refund pending the standard review process by the Canada Revenue Agency (CRA) which may take longer than 12 months.

(Expressed in Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment $	Buildings $	Land $	Water Treatment Facility $	Vehicles $	Right-of-Use Asset $	Total $
Balance at December 31, 2021	1,329,352	5,813,395	315,000	941,321	174,560	1,496,476	10,070,104
Additions	14,024	94,547	-	-	-	-	108,571
Disposals	(77,172)	-	-	-	(2,169)	-	(79,341)
Balance at December 31, 2022	1,266,204	5,907,942	315,000	941,321	172,391	1,496,476	10,099,334
Additions	2,803	253,270	-	-	-	304,913	560,986
Disposals	-	-	-	-	-	-	-
Balance at September 30, 2023	1,269,007	6,161,212	315,000	941,321	172,391	1,801,389	10,660,320
ACCUMULATED DEPRECIATION							
Balance at December 31, 2021	396,716	131,375	-	148,784	43,659	569,775	1,290,309
Additions	373,962	437,852	-	62,060	23,153	351,657	1,248,684
Disposals	-	-	-	-	-	-	-
Balance at December 31, 2022	770,678	569,227	-	210,844	66,812	921,432	2,538,993
Additions	283,521	330,825	-	46,545	17,111	285,585	963,587
Disposals	-	-	-	-	-	-	-
Balance at September 30, 2023	1,054,199	900,052	-	257,389	83,923	1,207,017	3,502,580
NET BOOK VALUE							
At December 31, 2022	495,526	5,338,715	315,000	730,477	105,579	575,044	7,560,341
At September 30, 2023	**214,808**	**5,261,160**	**315,000**	**683,932**	**88,468**	**594,372**	**7,157,740**

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets for the Company are summarized as follows:

Nine month period ended September 30, 2023

Project	January 1, 2023	Additions	Disposals	Impairment	September 30, 2023
Bralorne Gold Camp					
Bralorne Gold Project	10,723,883	$ -	$ (8,586,706)	$ -	**$ 2,137,177**
Royalle Property	243,000	-	-	-	**243,000**
NaiKun Wind Crown Grant	36,000	-	-	-	**36,000**
Congress Property	295,000	-	-	-	**295,000**
Big Sheep Property	120,000	-	-	-	**120,000**
Southern BC Properties					
Spences Bridge	5,701,823	-	-	-	**5,701,823**
Golden Hornet Property	-	67,550	-	-	**67,550**
Ladner Gold Project	12,061,400	1,300	-	-	**12,062,700**
	$ 29,181,106	$ 68,850	$ (8,586,706)	$ -	**$ 20,663,250**

During the nine month period ended September 30, 2023, the Company issued 300,000 shares with a value of $34,500 and made cash payments of $101,600 for property acquisitions on the Golden Hornet property and Dora Project. The costs for the Dora project amounting to $67,250 were expensed to exploration and evaluation expenses for the nine month period ended September 30, 2023.

On June 12, 2023 the Company entered into a royalty agreement with Sprott Resource Streaming and Royalty Corp. ("Sprott") in relation to the Company's Bralorne Gold Project whereby Sprott will pay the Company up to US$31,250,000 for a net smelter returns royalty (the "Royalty") covering all minerals produced from the Project (the "Royalty Transaction"). The Royalty Transaction include:

- A maximum of US$31,250,000, with a minimum consideration of US$18,750,000, payable as to:
    - an initial grant of a 1.12% Royalty for a draw of US$7,000,000 (received) for drilling, detailed engineering and working capital;
    - a further 1.88% Royalty for a subsequent draw of US$11,750,000 on, among other things, the signing of a toll milling agreement for mobilization, site infrastructure, resource conversion drilling and working capital; and
    - up to a further 2% Royalty, to a maximum of a 5% Royalty, for US$12,500,000 available as needed for site infrastructure, mine start-up capital and working capital;
    - An option, exercisable solely at the discretion of the Company until December 31, 2028, to repurchase 50% of the Royalty (as more particularly described below);
    - The residual Royalty will be reduced by an additional 50% for no additional consideration following 1.5 million ounces of gold production;

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

Buyback

The Company will have a right, to be satisfied in cash or in shares (subject to a 4.9% ownership limit, calculated at the time of the buyback), at the Company's sole discretion (and subject to prior approval of the Toronto Stock Exchange (the "TSX")), to repurchase a 50% interest of the Royalty for a price that is equal to half of the then-paid Purchase Price multiplied by the multiplier, as follows:

On of before	Multiplier	Based on Minimum 3% Royalty	Based on Maximum 5% Royalty
December 31, 2024	1.20	US$11,250,000	US$18,750,000
December 31, 2025	1.25	US$11,718,750	US$19,531,250
December 31, 2026	1.30	US$12,187,500	US$20,312,500
December 31, 2027	1.35	US$12,656,250	US$21,093,750
December 31, 2028	1.40	US$13,125,000	US$21,875,000

Production Target & Purchase Price Repayment

There is an amount payable under the Royalty agreement by the Company if aggregate sales of contained gold in product is not equal to or greater than 38,000 ounces for the period commencing on July 1, 2026 and ending on December 31, 2026 (inclusive). The Purchase price repayment is calculated as follows:

APP x (T-P)/T) x (1+r)^Q), where:
APP = Aggregate Purchase Price or dollar amount received under the facility.
T = the Target Amount;
P = the aggregate Sales of contained gold in Product during the Sales Testing Period;
r = the Quarterly interest rate of 2.5%; and
Q = the number of Quarter ends that have occurred from the First Closing Date up to (15), and including the last day of the Quarter in which the Sales Testing Period expires.

Participation Right

The Company has granted a five year pre-emptive right (subject to rights previously granted to Osisko Gold Royalties Ltd.) to participate up to a maximum of 40%, or US$40,000,000, in any proposed grant, sale or issuance to any third party of a stream, royalty or similar transaction based on future production from the Project.

As of June 23, 2023, the Company completed the initial draw of US$7,000,000 and has received proceeds in the amount of $9,239,300 (US$7,000,000) less $652,594 in transaction fees which was recorded as a reduction in exploration and evaluation assets for the nine month period ended September 30, 2023.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at,		**September 30, 2023**		December 31, 2022
Accounts payable	**$**	**883,700**	$	1,393,517
Accrued liabilities		**2,249,441**		1,797,237
	$	**3,133,141**	$	3,190,754

(Expressed in Canadian dollars)

9. LEASES PAYABLE

The Company has entered into equipment leases expiring between 2023 and 2024, with interest rates ranging from 4.95% to 5.90% per annum. The Company has the option to purchase the equipment at the end of the lease term for a nominal amount. The Company's obligations under finance leases are secured by the lessor's title to the leased assets.

The contractual maturities and interest charges in respect of the Company's finance lease obligations are as follows:

	September 30, 2023	December 31, 2022
Not later than one year	$ 168,319	$ 279,879
Later than one year and not later than five years	216,146	20,296
Less: Future interest charges	(35,973)	(12,013)
Present value of lease payments	348,492	288,162
Less: current portion	(146,542)	(268,134)
Non-current portion	$ 201,950	$ 20,028

Reconciliation of debt arising from lease liabilities:

	September 30, 2023	December 31, 2022
Lease liability at beginning of year	$ 288,162	$ 589,524
Additions	304,913	-
Principal payments on lease liabilities	(244,583)	(301,362)
	$ 348,492	$ 288,162

10. PROVISION FOR SITE RECLAMATION AND CLOSURE

Provincial laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

The breakdown of the provision for site reclamation and closure is as per below:

	September 30, 2023			December 31, 2022		
	Bralorne	New Carolin	Total	Bralorne	New Carolin	Total
Balance, beginning of period/year	11,697,368	7,279,671	18,977,039	15,784,000	7,528,532	23,312,532
Change in estimate	-	-	-	(4,488,040)	(430,778)	(4,918,818)
Accretion	287,967	179,416	467,383	401,408	181,917	583,325
Balance, end of period/year	11,985,335	7,459,087	19,444,422	11,697,368	7,279,671	18,977,039

(Expressed in Canadian dollars)

10. PROVISION FOR SITE RECLAMATION AND CLOSURE (continued)

The present value of the obligation for Bralorne of $11,985,335 (December 31, 2022 – $11,697,368) is based on an undiscounted obligation of $60,652,591, out of which $10,338,294 is expected to be incurred in 2040 with the remaining $50,314,297 to be incurred on water treatment and quality monitoring throughout 2140. The provision was calculated using a weighted average risk-free interest rate of 3.3% (December 31, 2022 – 3.3%) and a weighted average inflation rate of 2.1% (December 31, 2022 – 2.1%). Reclamation activities are estimated to begin in 2040 and are expected to be incurred over a period of 100 years.

The present value of the obligation for Ladner Lake is $7,459,087 (December 31, 2022 – $7,279,671). The provision was calculated using a weighted average risk-free interest rate of 3.3% (December 31, 2022 – 3.3%). and a weighted average inflation rate of 2.1% (December 31, 2022 – 2.1%). Reclamation activities are estimated to begin in 2023 and are expected to be incurred over a period of 100 years

Reclamation Deposits

The Company is required to make reclamation deposits in respect of its expected site reclamation and closure obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

	September 30, 2023				December 31, 2022			
	Talisker	**Bralorne**	**New Carolin**	**Total**	Talisker	Bralorne	New Carolin	Total
Balance, beginning of period/year	**58,300**	**1,190,000**	**220,000**	**1,468,300**	58,300	1,190,000	220,000	1,468,300
Additions	**-**	**-**	**-**	**-**	-	-	-	-
Disposals	**-**	**-**	**-**	**-**	-	-	-	-
Balance, end of period/year	**58,300**	**1,190,000**	**220,000**	**1,468,300**	58,300	1,190,000	220,000	1,468,300

Under the Ministry of Energy, Mines and Petroleum Resources ("MEM"), the Company is required to hold reclamation bonds that cover the estimated future cost to reclaim the ground disturbed. Bralorne is required to pay $250,000 every six months until a cumulative security equal to $12,300,000. At September 30, 2023, the surety amounted to $3,480,000 and the Company has placed $1,190,000 in cash (December 31, 2022 - $1,190,000), totalling $4,670,000 to cover estimated future costs related to the ground disturbance at the Company's Bralorne Gold Project. As at September 30, 2023 the Company is current with all its obligations with the MEM.

In connection with the Ladner Gold Project, under New Carolin, the Company has a total of $220,000 placed with the Province of British Columbia in environmental and mining bonds.

(Expressed in Canadian dollars)

11. ISSUED CAPITAL

Authorized Unlimited common shares without par value

		September 30, 2023		December 31, 2022
Issued capital	**$**	**98,297,423**	$	98,154,998
Fully paid common shares [1]		**77,085,501**		76,815,897

(1) As at September 30, 2023 and December 31, 2022, there are 50,000 shares awaiting issuance, the proceeds for which were received in 2008 and are included in share capital.

Common Shares Issued

	Number of Shares		Value of Shares
Balance as at December 31, 2021	57,138,106	$	83,302,460
Issue of shares pursuant to private placement, net of issue costs	19,513,400		18,248,313
Flow through premium liability	-		(3,588,000)
Issue of shares for acquisition of mineral properties (Note 7)	25,000		31,625
Issued pursuant to agreement	87,376		80,000
Exercise of RSU's	52,000		80,600
Balance as at December 31, 2022	76,815,882	$	98,154,998
Exercise of RSU's	95,333		34,500
Issue of shares for acquisition of mineral properties (Note 7)	60,000		67,925
Issued pursuant to agreement	114,286		40,000
Balance as at September 30, 2023	77,085,501	$	98,297,423

The shares outstanding presented have been adjusted to reflect the effect of the 5:1 share consolidation that took place on September 1, 2023. Common shares, options, RSUs, warrants and per share amounts have been adjusted for the 5:1 share consolidation unless otherwise noted.

Diluted Weighted Average Number of Shares Outstanding

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Basic weighted average shares outstanding:	**76,994,961**	71,973,866	**76,964,654**	66,052,758
Effect of outstanding securities	**-**	-	**-**	-
Diluted weighted average shares outstanding	**76,994,961**	71,973,866	**76,964,654**	66,052,758

During the three and nine month periods ended September 30, 2023 and 2022, the Company had a net loss, as such, the diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share.

(Expressed in Canadian dollars)

12. FLOW-THROUGH PREMIUM LIABILITY

For the purposes of calculating the tax effect of any premium related to the issuances of the flow-through shares, the Company reviewed the share price of the Company's common shares and compared it to determine if there was a premium paid on the shares.

Nine months ended September 30, 2023

During the nine month period ended September 30, 2023, the Company recognized an amount of $1,951,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency which occurred during the nine month period ended September 30, 2023.

Nine months ended September 30, 2022

For the nine month period ended September 30, 2022, the Company recognized a $3,588,000 as a flow-through premium liability on issuance in connection with private placements closed during the nine month period ended September 30, 2022. The amount will be reduced upon filing of renunciation documents with the Canada Revenue Agency.

During the nine month period ended September 30, 2022, the Company recognized an amount of $8,623,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency which occurred during the nine month period ended September 30, 2022.

13. WARRANTS RESERVE

The following is a summary of changes in warrants:

	Number of Warrants	Weighted average exercise price per warrant	Amount
Balance, December 31, 2021	1,544,495	$ 2.10	$ 4,357,200
Issuance of warrants	5,679,600	1.20	1,600,000
Expiry of warrants	(1,544,495)	2.10	-
Balance, December 31, 2022 and September 30, 2023	5,679,600	$ 1.20	$ 5,957,200

As at September 30, 2023, the Company had outstanding warrants as follows:

Expiry Date	Exercise Price	Outstanding and exercisable
February 11, 2025	$1.20	5,679,600
Balance, September 30, 2023		**5,679,600**

During the year ended December 31, 2022, 122,055 warrants expiring February 4, 2022, 422,089 warrants expiring May 8, 2022 and 1,000,260 warrants expiring August 27, 2022, expired unexercised.

(Expressed in Canadian dollars)

14. SHARE-BASED PAYMENT RESERVE

Stock Option Plan

The Board of Directors of the Company adopted a stock option plan (the “Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of five years. The exercise price of the options granted under the Plan is set at the last closing price of the Company’s common shares before the date of grant or in accordance with regulatory requirements.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following options were outstanding as at September 30, 2023:

Number of options outstanding	Number of exercisable options	Grant date	Expiry date	Exercise price	Fair value vested
490,000	490,000	June 18, 2019	June 18, 2024	$ 1.00	240,000
780,000	780,000	December 27, 2019	December 27, 2024	$ 1.475	859,960
180,000	180,000	February 14, 2020	February 14, 2025	$ 1.950	311,000
120,000	120,000	August 20, 2020	August 20, 2025	$ 2.300	184,680
541,000	541,000	December 11, 2020	December 11, 2025	$ 1.650	661,000
746,000	746,000	December 7, 2021	December 7, 2026	$ 1.575	817,000
100,000	75,000	October 31, 2022	October 31, 2024	$ 0.575	18,596
2,957,000	2,932,000				3,092,236

The share options outstanding as at September 30, 2023 had a weighted exercise price of $1.49 (December 31, 2022: $1.48) and a weighted average remaining contractual life of 1.85 years (December 31, 2022: 2.59 years).

All options vested on their date of issue, with the exception of the 100,000 options issued October 31, 2022, and expire within five years of their issue, or 90 days after the resignation of the director, officer, employee or consultant.

(Expressed in Canadian dollars)

14. SHARE-BASED PAYMENT RESERVE (continued)

Movements in Share Options During the Period

The following reconciles the share options outstanding for the nine month period ended September 30, 2023 and year ended December 31, 2022:

	Number of options		Weighted average exercise price
Balance as at December 31, 2021	3,839,000	$	1.53
Granted	100,000	$	0.575
Expired	(342,000)	$	1.81
Balance as at December 31, 2022	3,597,000	$	1.48
Expired	(640,000)	$	1.46
Balance as at September 30, 2023	2,957,000	$	1.49

Restricted Share Units

The Restricted Share Unit Plan (RSU Plan) provides for the grant of restricted share units (each, an "**RSU**") convertible into a maximum number of common shares equal to ten percent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed ten percent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common Share or payment in cash for the equivalent thereof based on the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals. Any such performance incentives or long term performance goals are subject to determination by the Board and specified in the award agreement.

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the liability.

(Expressed in Canadian dollars)

14. SHARE-BASED PAYMENT RESERVE (continued)

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSU's	Weighted average fair value
Balance, December 31, 2021	286,000	$ 1.60
Exercised	(52,000)	$ 1.55
Balance, December 31, 2022	234,000	$ 1.60
Exercised	(95,333)	$ 1.55
Balance, September 30, 2023	138,667	$ 1.60

The RSU's outstanding presented have been adjusted to reflect the effect of the 5:1 share consolidation that took place on September 1, 2023.

RSU liability:

As at September 30, 2023 a liability of $39,356 (December 31, 2022 - $114,368) has been recorded for RSUs.

The following table summarizes information about share-based payment reserve:

Balance as at December 31, 2021	$	4,152,000
Share-based expense - options		6,605
Expiry of stock options		(435,360)
Balance as at December 31, 2022	$	3,723,245
Share-based expense - options		11,991
Expiry of stock options		(643,000)
Balance as at September 30, 2023	$	3,092,236

(Expressed in Canadian dollars)

15. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at September 30, 2023 and December 31, 2022 were as follows:

	Fair value through profit of loss	Amortized cost	Other financial liabilities	Total
As at September 30, 2023				
Cash and cash equivalents	$ -	$ 6,490,291	$ -	$ 6,490,291
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	3,133,141	3,133,141
RSU liability	39,356	-	-	39,356
Leases payable	-	-	348,492	348,492
As at December 31, 2022				
Cash and cash equivalents	$ -	$ 5,726,452	$ -	$ 5,726,452
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	3,190,754	3,190,754
RSU liability	114,368	-	-	114,368
Leases payable	-	-	288,162	288,162

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

The carrying value of cash and cash equivalents, reclamation deposits, accounts payable and accrued liabilities and leases payables approximate fair value because of the limited terms of these instruments.

(Expressed in Canadian dollars)

16. RELATED PARTY DISCLOSURES

The following is a summary of the Company's related party transactions during the nine month periods ended September 30, 2023 and 2022:

The Company charged rent and other costs in the amount of $30,000 for the nine month period ended September 30, 2023 (2022 - $96,524) paid by Millennial Precious Metals Corp., a company with certain common directors and officers.

The Company charged rent in the amount of $13,500 for the nine month period ended September 30, 2023 (2022 - $nil) paid by JHI Associates Inc., a company with certain common officers.

The Company incurred operations costs in the amount of $120,702 for the nine month period ended September 30, 2023 (2022 - $65,475) paid to JDS Energy & Mining Inc., a company with certain common former directors.

Compensation of Key Management Personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the nine month periods ended September 30, 2023 and 2022 were as follows:

	September 30, 2023	September 30, 2022
Short term employee benefits, director fees	**$ 1,410,048**	$ 1,336,768
Share based payments	**63,930**	147,065
	$ 1,473,978	$ 1,483,833

As at September 30, 2023, an amount of $73,939 (December 31, 2022 - $491,376) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

17. COMMITMENTS AND CONTINGENCIES

Flow-Through Shares

As at September 30, 2023, the Company was committed to spending approximately $2,200,000 to be spent by December 31, 2023 in connection with its flow-through offerings (December 31, 2022 - $3,045,000).

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

18. EVENTS AFTER THE REPORTING PERIOD

On November 6, 2023, the Company closed a non-brokered private placement raising total gross proceeds of $3,610,632 by issuing an aggregate of 4,611,733 common share units (each, a "Unit") at a price of $0.30 cents per Unit and 6,363,178 flow-through units (each, a "FT Unit") at a price of $0.35 cents per FT unit.

Each Unit and FT Unit consists of one common share of the Company and one-half common share purchase warrant (each whole warrant, a "Warrant"). Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.50 cents until November 6, 2025.

The Company paid finders' fees equal to 6% of the gross proceeds and issued finders' warrants equal to 6% of the number of offered securities to finders, other than in respect of sales to certain purchasers on the Company's president's list. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of $0.33 cents until November 6, 2025.