VOYAGEUR PHARMACEUTICALS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED FEBRUARY 29, 2024
AND FEBRUARY 28, 2023

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited consolidated interim financial statements of Voyageur Pharmaceuticals Ltd. (the "Corporation") have not been reviewed by the auditors of the Corporation. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 – Continuous Disclosure Obligations.

VOYAGEUR PHARMACEUTICALS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at,	February 29 2024	November 30 2023
ASSETS	$	$
Current assets		
Cash and cash equivalents	249,752	2,085
Deposits	3,500	3,500
Amounts receivable and other assets	17,863	35,939
Inventory	10,323	10,323
Prepaid expenses	167,967	36,783
	449,405	88,630
Reclamation deposits (note 7)	14,000	14,000
Equipment (note 4)	5,434	5,827
Exploration and evaluation assets (note 5)	2,092,750	2,055,205
Total assets	2,561,590	2,163,662
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 6 & 8e)	931,216	673,877
	931,216	673,877
Long-term liabilities		
Provision for reclamation obligations (note 7)	14,000	14,000
CEBA loan (note 13)	40,000	40,000
Total liabilities	985,216	727,877
SHAREHOLDERS' EQUITY		
Share capital (note 8b)	9,152,905	8,690,256
Contributed surplus	1,867,316	1,861,682
Accumulated other comprehensive income	12,893	11,642
Deficit	(9,456,740)	(9,127,795)
Total shareholders' equity	1,576,374	1,435,785
Total liabilities and shareholders' equity	2,561,590	2,163,662

Nature of operations and going concern (note 1)
Commitments and contingencies (note 11)

Approved on behalf of the Board:

Director *(signed) "Kevin McBeth"* *(signed) "Ralph Hesje"*
Director Director

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

VOYAGEUR PHARMACEUTICALS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the three months ended February 29 2024	February 28 2023
	$	$
EXPENSES		
Market and product development (note 6)	12,634	87,294
Share-based compensation (note 8)	125,065	26,766
Wages, director and CFO fees (note 6)	66,887	88,296
General and administrative	42,321	52,945
Investor relations, transfer agent, filing fees	36,865	51,539
Professional fees	6,862	12,891
Consulting fees	37,920	53,416
Depreciation	393	546
Loss on asset write-off / sale	-	
Gain on sale of debt		
Net loss	(328,945)	(373,693)
Other comprehensive income related to Foreign exchange translation adjustment that will not be reclassified to profit and loss	12,893	
Comprehensive loss	(316,052)	(373,693)
Basic and diluted loss per share	($0.00)	($0.00)
Weighted average number of common shares outstanding	132,736,863	123,785,727

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

VOYAGEUR PHARMACEUTICALS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Contributed Surplus $	Other Comprehensive Income	Accumulated Deficit $	Total Equity $
Balance, November 30, 2022	115,434,951	7,551,509	1,641,398	-	(7,728,326)	1,464,581
Shares Issued on private placements (note 8b)	17,142,133	1,199,949	-	-	-	1,199,949
Share issue costs (note 8b)	-	(63,452)	-	-	-	(63,452)
Value assigned to broker warrants (note 8b)	-	(10,250)	10,250	-	-	-
Shares for debt (note 8b)	125,322	12,500	-	-	-	12,500
Share Based Compensation Reserve (note 8d)	-	-	210,034	-	-	210,034
Foreign currency translation Adjustment	-	-	-	11,642	-	11,642
Net loss	-	-	-	-	(1,399,469)	(1,399,469)
Balance, November 30, 2023	132,702,406	8,690,256	1,861,682	11,642	(9,127,795)	1,435,785
Balance, November 30, 2023	132,702,406	8,690,256	1,861,682	11,642	(9,127,795)	1,435,785
Shares Issued on private placements (note 8b)	6,106,250	488,500	-	-	-	488,500
Exercise of broker warrants	72,920	5,104				5,104
Share issue costs (note 8b)	-	(25,322)	-	-	-	(25,322)
Value assigned to broker warrants (note 8b)		(5,634)	5,634	-	-	-
Foreign currency translation Adjustment	-	-	-	1,251	-	1,251
Net loss	-	-	-	-	(328,945)	(328,945)
Balance, February 29, 2024	138,881,576	9,152,905	1,867,316	12,893	(9,456,740)	1,576,374

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

VOYAGEUR PHARMACEUTICALS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the three months ended February 29 & 28	February 29 2024	February 28 2023
Cash provided by (used in):	$	**$**
Operating activities		
Net loss for the period	(328,945)	(373,693)
Add items not involving cash:		
Depreciation (note 4)	393	546
Share based compensation (note 8d)	125,065	26,766
Unrealized foreign exchange income	1,250	
Change in non-cash operating working capital		
Amounts receivable and other assets	18,076	(14,082)
Inventory	-	-
Prepaid expenses	(131,184)	(2,668)
Accounts payable and accrued liabilities	132,274	(111,070)
Net cash (used in) operating activities	(183,072)	(474,201)
Financing activities		
Issuance of share capital (note 8b)	493,604	1,199,949
Share issue costs (note 8b)	(25,322)	(63,452)
Net cash provided by financing activities	468,283	1,136,497
Investing activities		
Exploration and evaluation expenditures (note 5)	(37,545)	(41,922)
Net cash (used in) investing activities	(37,545)	(41,922)
Change in cash and cash equivalents during the period	247,665	620,374
Cash and cash equivalents, beginning of the period	2,085	31,561
Cash and cash equivalents, end of the period	249,752	651,935

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

1. Nature of operations and going concern

Voyageur Pharmaceuticals Ltd., formerly Voyageur Minerals Ltd., ("Voyageur" or the "Corporation") was incorporated under the Business Corporations Act (Alberta) on July 23, 2008 and is listed on the TSX Venture Exchange ("the Exchange"), trading under the symbol VM. Voyageur, through its wholly owned subsidiaries, Voyageur Industrial Minerals Ltd. and Voyageur Minerals Inc., is in the business of acquiring, exploring and developing raw materials for pharmaceutical products, primarily in the province of British Columbia, Canada and the state of Utah, USA. To date, the Corporation has not generated revenues from operations and is considered to be a development stage pharmaceutical company.

The address of the Corporation's registered and records office is 800 Dome Tower 333 – 7 Avenue S.W., Calgary, Alberta, T2P 2Z1. The head office of the Corporation is located at 4103B Center Street NW, Calgary, Alberta, T2E 2Y6.

These consolidated financial statements have been prepared on the assumption that the Corporation will continue as a going concern and realize its assets and discharge its liabilities in the normal course of operations.

The Corporation is in the process of exploring for and developing its mineral properties for pharmaceutical products and has not yet determined whether these properties contain mineral reserves that are economically recoverable. Recovery of the capitalized costs shown for mineral properties will likely require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

As at February 29, 2024, the Corporation had not yet achieved profitable operations, has accumulated losses of $9,456,740 (November 30, 2023 - $9,127,795) since inception, working capital deficit of $481,811 (November 30, 2023 $585,247) and expects to incur further losses in the development of its business. The Corporation has relied on support from various creditors and related party lenders to finance its operations. These conditions give rise to material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern.

The future operations of the Corporation are dependent on the continued support from creditors and lenders and the Corporation's ability to raise additional capital through equity financings or by selling or optioning its mineral properties. While the Corporation has been successful in securing financings in the past and has completed private placement and other equity financing subsequent to year end (Note 12), there is no assurance that it will be able to continue to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Corporation be unable to continue as a going concern. If the going concern assumption was not appropriate, then the adjustments required to report the Corporation's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance 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") in effect as of December 1, 2022.

Approval of consolidated financial statements

These consolidated financial statements were authorized for issue on April 25, 2024 by the directors of the Corporation.

2. Basis of presentation (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Corporation, its wholly owned Canadian subsidiary, Voyageur Industrial Minerals Ltd. and its wholly owned United States subsidiary, Voyageur Minerals Inc. All significant inter-company transactions and balances have been eliminated upon consolidation.

Basis of measurement

The consolidated financial statements of the Corporation have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments measured at fair value. These consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Corporation. The functional currency of the Corporation's Canadian subsidiary and United States subsidiary is the Canadian and United States dollar, respectively.

3. Summary of significant accounting policies

a) Significant accounting judgement and estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements may include estimates which, by their nature, are uncertain. The impacts of such estimates could be pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Significant assumptions management has made could result in a material adjustment to the carrying amounts of assets and liabilities including the determination of fair value of share-based payments using the expected volatility, in the event that actual results differ from assumptions.

The Corporation's accounting policy for exploration costs results in certain items being capitalized according to the expected recoverability of the projects. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the costs, a judgment is made that recovery of the costs is unlikely, the relevant capitalized amount will be written off to earnings.

b) 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 the consolidated statement of comprehensive 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.

3 Summary of significant accounting policies (cont'd)

c) Deferred Share Units (DSU)

The Corporation has adopted a Deferred Share Unit plan ("DSU") that is focused on compensating the Directors of the Corporation for their annual retainers. DSU's are notional common shares of the Corporation that do not settle until the recipient leaves the Corporation. The Corporation's DSU plan allows for the participants to receive cash-settled DSU's or common shares at the discretion of the Corporation. When DSU's become payable, the participant issued
such DSU's, shall be entitled to receive payment from the Corporation in settlement of such DSU's: (i) in a number of Shares (issued from treasury or purchased in the market by the Corporation) equal to the number of DSU's being settled, (ii) an amount in cash equivalent to the number of the outstanding DSU's held by such participant multiplied by fair market value of the common shares as at the applicable settlement date or termination date, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Compensation Committee of the Board at its sole discretion, subject to the policies of the Exchange.

The DSU's are expected to be cash settled and the fair value is recognized as share-based compensation expense, with a corresponding increase in accrued liabilities over the vesting period. The fair value of the liability is remeasured at the end of each period and at the settlement date, with any changes in fair value recognized in the consolidated statement of comprehensive loss.

d) Future accounting standards and pronouncements

The Corporation plans to adopt the following amendments to accounting standards, issued by the IASB, that are effective for annual periods beginning on or after January 1, 2023. The pronouncements will be adopted on their respective effective dates; however, each is not expected to have a material impact on the financial statements.

Amendments to IAS 1 Presentation of Financial Statements
In January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements ("IAS 1"), to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. This will be effective on January 1, 2024.

In October 2022, the IASB issued amendments to IAS 1, which specify the classification and disclosure of a liability with covenants. This will be effective on January 1, 2024

4 Equipment

	2024 $	2023 $
Cost		
Balance, November 30, 2023 and 2022	18,303	18,303
Additions	-	-
Disposals	-	-
Balance end of February 2024 and 2023	**18,303**	**18,303**
Accumulated depreciation and impairments		
Balance, November 30, 2023 and 2022	12,476	10,291
Disposals	-	-
Depreciation	393	546
Balance end of February 2024 and 2023	**12,869**	**10,837**
Net Balance end of February 2024 and 2023	**5,434**	**7,466**

5 Exploration assets

	Canada				USA	
	Frances Creek	Jubilee Mountain	Pedley Mountain	Falcon	Paradox Basin	Total
	$	$	$	$	$	$
Balance, November 30, 2022	1,453,673	180,297	48,610	2,404	231,230	1,916,214
Claims fees		4,712	-	1,436	19,877	26,025
Geological and consulting					12,880	12,880
Site expenses	6,727					6,727
Insurance	10,811					10,811
Salaries and wages	131,158					131,158
Depreciation of exploration equipment						-
Abandoned Claim	-	-	(48,610)	-		(48,610)
Balance, November 30, 2023	1,602,369	185,009	-	3,840	263,987	2,055,205
Claims fees	-	-	-	4,102	-	4,102
Foreiegn currency translation adjustment	-	-	-	-	-	-
Geological and consulting	32,351	-	-	-	-	32,351
Site expenses	-	-	-	-	-	-
Insurance	1,093	-	-	-	-	1,093
Salaries and wages	-	-	-	-	-	-
Depreciation of exploration equipment	-	-	-	-	-	-
Abandoned Claim	-	-	-	-	-	-
Balance, February 29, 2024	1,635,813	185,009	-	7,942	263,987	2,092,750

A summary of the capitalized acquisition and exploration expenditures on the Corporation's exploration and evaluation assets for the year ended November 30, 2023 and the three months ended February 29,2024 is shown above.

As at February 29, 2024 the Corporation has interests in three mineral properties located in British Columbia, Canada (Frances Creek, Jubilee Mountain and Falcon) and one in Utah, USA (Paradox Basin).

Frances Creek, Jubilee Mountain, and Falcon – Canada

In fiscal 2013, the Corporation was granted the exclusive option to purchase a 100% undivided interest in certain mineral properties located in the province of British Columbia referred to as "Pedley Mountain", (abandoned in 2023 as noted above) "Jubilee Mountain" and "Frances Creek" (together, the "claims") from Tiger Ridge Resources Ltd. (the "Vendor"), a related party. The Vendor has reserved a 3.5% gross milled sales return royalty on the production of barite and other industrial minerals and a 3.5% net smelter return royalty on the production of base and precious metals on all the claims. In addition, the claims are burdened by a previously existing royalty of $2.00/tonne on finished barite and $2.00/tonne on metals concentrate production. The Corporation and the Vendor are related by virtue of the directors, officers and shareholders of the Vendor also being directors, officers and shareholders of the Corporation.

5 Exploration assets (cont'd)

Paradox Basin – USA

In July 2016, the Corporation entered into an agreement to acquire, from the owner, a 100% interest in 89 mineral claims covering approximately 720 hectares in a lithium brine property located in the Paradox Basin of Utah, USA (the "ULI Project"). The claims have been staked by the owner and have been transferred to Voyageur's wholly owned United States subsidiary.

On September 14, 2016, the Corporation entered into a Standstill Agreement with Anson Resources Ltd. ("Anson"). Under the terms of the agreement, Anson paid Voyageur a non-refundable deposit of US$75,000 (CDN$98,753) in exchange for the exclusive right to conduct due diligence on Voyageur's ULI Project for a period of 45 days and, based on its due diligence findings, earn into the project.

On March 27, 2017 the Corporation signed a formal joint venture agreement with Anson whereby Anson may earn up to 70% of the ULI Project by undertaking exploration activities on the project. Anson earned a 10% interest in the ULI Project upon signing of the formal joint venture agreement and can earn further interests upon completing the following:

- 40% by defining the location(s) for one or more drill holes, issuing a NI 43-101 technical report, and incurring US$666,000 in qualifying expenditures; and
- a further 20% by drilling and logging one or more holes, issuing an updated NI 43-101 technical report, and incurring US $2,330,000 in qualifying expenditures.

In fiscal 2018, Anson provided the Corporation with notice advising that Anson had completed the 40% earn-in. The Corporation and Anson are currently in dispute as to whether or not the 40% earn-in has occurred on this agreement.

6 Related party transactions and balances

(a) Transactions with related parties are incurred in the normal course of business and are initially measured at fair value. Related party transactions are disclosed below, unless they have been disclosed elsewhere in the consolidated financial statements.

For the three months ended February 29 & 28	**2024**	2023
	$	$
Wages, director and CFO fees [1]	**100,684**	123,226
Share based compensation [2]	**125,065**	26,766
Market and product development [3]	**-**	46,400
TOTAL	**225,749**	196,392

1 Includes salaries capitalized to Frances Creek

2 DSU units awarded to Directors

3 Market and development relates to fees paid to a company owned by a Director

(b) Amounts due to related parties

Amounts Due to Related Parties

As at February 29 & 28	**2024**	2023
	$	$
Accounts payable and accrued liabilities [1]	**499,239**	170,269
Total	**499,239**	170,269

1 Includes Wages, CFO Fees, Directors fees & DSU units

7 Reclamation deposits

Prior to commencement of exploration of a pharmaceutical development property in British Columbia, Canada, a company is required to post a reclamation bond against any potential land restoration costs that may be incurred in the future, which is refunded upon completion of reclamation to the satisfaction of the Inspector of Mines. The Corporation has posted reclamation bonds of $14,000 (2023 - $14,000) with the Province of British Columbia, Canada.

Based on the Corporation being in the early stages of exploration and the nature and extent of exploration activities to date, minimal reclamation obligations exist. Management has recorded a provision of $14,000 (2023 - $14,000), which is the best estimate of the Corporation's future reclamation obligations resulting from the exploration activities conducted.

8 Share capital

(a) Authorized

Unlimited number of Class A shares
Unlimited number of Class B and Class C preferred shares

(b) Issued and outstanding Class A common shares

	February 29, 2024		November 30, 2023	
	Number	Amount $	Number	Amount $
Balance, beginning of period	132,702,406	8,690,256	115,434,951	7,551,509
Issued on private placement	6,106,250	488,500	17,142,133	1,199,949
Exercise of broker warrants	72,920	5,104	-	-
Share issue costs	-	(25,322)	-	(63,452)
Shares for Debt	-		125,322	12,500
Value assigned to broker warrants	-	(5,634)	-	(10,250)
Balance, end of period	138,881,576	9,152,905	132,702,406	8,690,256

2024

3 months ended February 29, 2024

On February 29, 2024, the Corporation closed a private placement raising total gross proceeds of $488,500 through the sale of 6,106,250 Common share units. Each unit was comprised of one (1) common share at $.08 per share and one (1) Common share purchase warrant of Voyageur. Each warrant entitles the holder thereof to purchase one Common share for $0.15 expiring twenty-four (24) months from the date of issuance. The value assessed to the warrant units was $nil.

In connection with the private placement, Voyageur paid cash commissions to qualified non-related parties of $10,440 and issued an aggregate of 130,500 broker warrants. Each broker warrant entitles the holder to acquire one Common Share at a price of $0.08 for a period of one (1) year from the date of issuance. The value assessed to the broker warrants was $5,634 as determined by the Black Scholes Option Pricing Model.

8 Share capital (continued)

(b) Issued and outstanding Class A common shares (continued)

12 months ended November 30, 2023

On December 2, 2022, the Corporation agreed to pay existing debts in the aggregate amount of $12,500 through the issuance of 125,322 Common Shares at a fair value of $0.09974 per Common Share to two directors who did not stand for re-election at the September 28, 2022 Annual General Meeting.

On December 23, 2022, the Corporation closed the first tranche of a private placement raising total gross proceeds of $179,996 through the sale of 2,571,369 Common share units. Each unit was comprised of one (1) common share at $0.07 per share and one (1) Common Share purchase warrant of Voyageur. Each warrant entitles the holder thereof to purchase one Common Share for $0.12 expiring twenty-four (24) months from the date of issuance. The value assessed to the warrant units was $nil.

Pursuant to the first closing of the private placement, Voyageur paid a cash commission to a qualified non-related party in the amount of $2,800 and issued 40,000 broker warrants entitling the holder to acquire one Common Share at a price of $0.07 per share for a period of one (1) year from the date of issuance. The value of the broker warrants was $1,319 as determined by the Black Scholes Option Pricing Model.

On January 20, 2023, the Corporation closed the second and final tranche of a private placement raising total gross proceeds of $1,019,954 through the sale of 14,570,764 Common share units. Each unit was comprised of one (1) common share at $0.07 per share and one (1) Common Share purchase warrant of Voyageur. Each warrant entitles the holder thereof to purchase one Common Share for $0.12 expiring twenty-four (24) months from the date of issuance. The value assessed to the warrant units was $nil.

Pursuant to the second closing of the private placement, Voyageur paid a cash commission to qualified non-related parties in the amount of $13,849 and issued 237,840 broker warrants entitling the holder to acquire one Common Share at a price of $0.07 per share for a period of one (1) year from the date of issuance. The value of the broker warrants was $8,931 as determined by the Black Scholes Option Pricing Model.

(c) Warrants

Details of common share purchase warrants outstanding as at February 29, 2024 and November 30, 2023 are as follows:

	February 29 2024		November 30 2023	
	Number of Warrants	Weighted average exercise price $	Number of Warrants	Weighted average exercise price $
Outstanding - beginning of year	28,989,973	0.22	32,011,418	0.21
Issued on private placements	6,106,250	0.15	17,142,133	0.12
Issued to brokers on private placements	130,500	0.08	277,840	0.07
Exercised	(72,920)	0.07	-	-
Expired	(204,920)	0.07	(20,441,418)	0.11
Outstanding - end of year	34,948,883	0.21	28,989,973	0.22

8 Share capital (continued)

(c) Warrants (continued)

As at February 29, 2024, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price $	Expiry Date
11,570,000	0.20	June 16, 2024
2,571,369	0.12	December 23, 2024
14,570,764	0.12	January 20, 2025
130,500	0.08	February 28, 2025
6,106,250	0.15	February 28, 2026
34,948,883	**0.15**	

The weighted average remaining contractual life of the issued and outstanding warrants at February 29, 2024 was .88 years (November 30, 2023 .87 years.

(d) Stock options

The Corporation has adopted an incentive stock option plan which provides that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable up to ten years from the date of grant. The fair value of each option grant will be estimated on the date of grant using the Black-Scholes option pricing model. Stock options issued and outstanding are as follows:

	February 29 2024		November 30 2023	
	Number of Options	Weighted average exercise price $	Number of Options	Weighted average exercise price $
Outstanding - beginning of the year	5,850,000	0.10	8,365,000	0.14
Issued	-		2,900,000	0.07
Expired/Forfeited	-	-	(5,415,000)	0.10
Outstanding - end of period	5,850,000	**0.10**	5,850,000	**0.10**

8 Share capital (continued)

(d) Stock options (continued)

Details of the share options outstanding and exercisable as at February 29, 2024 are as follows:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Exercise Price $	Weighted Average Remaining Life Years
January 20, 2030	1,400,000	1,400,000	-	0.10	5.9
April 1, 2031	1,150,000	1,150,000	-	0.18	7.1
July 28, 2031	100,000	100,000	-	0.09	7.4
September 19, 2032	300,000	300,000	-	0.10	8.6
April 3, 2033	2,600,000	2,600,000	-	0.08	9.1
July 28, 2033	300,000	300,000	-	0.07	9.4
Total	**5,850,000**	**5,850,000**		**0.10**	**7.9**

3 months ended February 29, 2024

There were no transactions with regard to stock options during the three months ended February 29, 2024 however 3,700,000 options were issued on March 26, 2024 as described in note 13 below.

12 months ended November 30, 2023

During the year ended November 30, 2023, a total of 840,000 options expired and a further 4,575,000 options were forfeited.

On April 3, 2023, the Corporation issued 2,000,000 incentive stock options, being 1,000,000 options each to its CEO and COO, that vest immediately and are exercisable at $0.075 per share for a period of ten years. The fair value of the options was calculated using the Black-Scholes model based on the following assumptions; Risk-free interest rate of 3.43%, expected life of 10 years, no annual dividend, expected volatility of 140% and a forfeiture rate of 0%. The value of the incentive stock options vested is $73,331 for each grant totaling $146,622.

On April 3, 2023 the Corporation issued 600,000 incentive stock options, being 300,000 options to each of two consultants, that vest immediately and are exercisable at $0.075 per share for a period of ten years. The fair value of the options was calculated using the Black-Scholes model based on the following assumptions; Risk-free interest rate of 3.43%, expected life of 10 years, no annual dividend, expected volatility of 140% and a forfeiture rate of 0%. The value of the incentive stock options vested is $21,993 for each grant totaling $43,986.

On July 28, 2023 the Corporation issued 300,000 incentive stock options, being 100,000 options to each of three Directors, Eric Pommer, Gene Fritzel and Kevin McBeth, that vest immediately and are exercisable at $0.065 per share for a period of ten years. The fair value of the options was calculated using the Black-Scholes model based on the following assumptions; Risk-free interest rate of 4.74%,

8 Share capital (continued)

(d) Stock options (continued)

expected life of 10 years, no annual dividend, expected volatility of 139% and a forfeiture rate of 0%. The value of the incentive stock options vested is $6,358 for each grant totaling $19,074.

As at November 30, 2023, 5,850,000 stock options outstanding had a weighted average remaining life of 8.15 years (November 30, 2022 – 6.89 years). The weighted fair value of 2,900,000 stock options granted during the year ended November 31, 2023 was $0.0723. The weighted fair value of 300,000 stock options granted during the year ended November 30, 2022 was $0.095.

(e) Deferred Share Units (DSU)

The Corporation has adopted a DSU plan following receipt of shareholder approval on June 28, 2021 (the "Plan") that is focused on compensating the Directors of the Corporation for their annual retainers. The fair value of the DSU's is calculated each quarter based on the closing share price and any change in fair value is recorded to share-based payments. The DSU's only vest upon a director resigning, retiring or not being re-elected to the board.

The Corporation issued 590,735 DSU's during the three months ended February 29, 2024 and the unsettled DSU's outstanding as at February 29, 2024 is 2,347,840 (2023 – 1,045,070). The outstanding liability based on the closing price of the Corporation's common shares as at February 29,2024 related to the unsettled DSU's is $216,349 (2023 - $94,056) and has been recorded in accounts payable and accrued liabilities.

(f) Loss per share

Loss per share of $0.00 and $0.00 for the three months ended February 29, 2024 and February 28,2023 respectively, is calculated based on weighted average number of shares outstanding during the respective year periods. The calculation of diluted loss per share equals basic loss per share as the effect of outstanding options and warrants are anti-dilutive.

9 Financial instruments

As at February 29, 2024 and February 28,2023, the Corporation's financial instruments consist of cash and cash equivalents, amounts receivable, reclamation deposits, accounts payable and accrued liabilities and CEBA loan. The amounts reflected in the statement of financial position are carrying amounts and approximate their fair values due to the short-term nature and negligible credit losses.

The Corporation does not use derivative instruments or hedges to manage risks because the Corporation's exposure to credit risk, interest rate risk and currency risk is low.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's cash and cash equivalents is exposed to credit risk; however, the risk is deemed small because the counterparty is a highly rated bank.

9 Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's cash and cash equivalents are exposed to interest rate risk as the Corporation invests cash and cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates impact the value of cash and cash equivalents. All of the Corporation's other interest-bearing financial instruments are subject to fixed rates of interest.

Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign currency risk as certain monetary financial instruments are denominated in United States dollars. At February 29, 2024, total assets include cash of US$30,196 (November 30, 2023 - US$213) and total liabilities include accounts payable and accrued liabilities of US$32,823 (November 30, 2023 – US$30,420). The Corporation has not entered into any foreign currency contracts to mitigate this risk. The Corporation's sensitivity analysis suggests that a change in the absolute rate of exchange in the United States dollar by 10% would increase or decrease net loss by $262 (2023 - $3,021) in these consolidated financial statements.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation experienced significant liquidity challenges during the year as a result of the factors discussed in Note 1. In order to address these issues, management reduced expenditures to the extent possible and negotiated share-for-debt arrangements with various creditors and lenders. The majority of the Corporation's financial liabilities are short term in nature and given the working capital deficiency at the reporting period date, the Corporation's ability to meet its obligations when they become due is uncertain. In order to further address current liquidity issues, the Corporation has raised equity financing in this fiscal quarter and intends to pursue additional equity offerings and the extinguishment of obligations through share-for-debt settlements. Management believes the efforts and actions taken will address the Corporation's liquidity challenges and allow the entity to meet its short-term financial obligations.

10 Capital management

The Corporation's objectives when managing capital are:

- To safeguard the Corporation's ability to continue as a going concern.
- To maintain appropriate cash reserves on hand to meet ongoing operating costs.
- To invest cash on hand in highly liquid and highly rated financial instruments.

In the management of capital, the Corporation includes shareholders' equity and cash and cash equivalents in the definition of capital. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

There have been no changes with respect to the overall capital management strategy or risk assessments during the quarters ended February 29, 2024 and February 28, 2023.

11. Commitments and contingencies

Flow-through shares

The Corporation was not able to complete the required exploration expenditures by December 31, 2022 pursuant to the flow thru share issues of December 31, 2020 ($488,500 share issue proceeds and $432,167 actual expenditures) and May 5, 2021 ($291,468 share issue proceeds on which no expenditures were made).

Covid 19 followed by a BC Mines Road closure (still in effect) due to road subsidence were the contributing factors in the spending shortfall. The Flow Through share agreements include an indemnification clause to shareholders who purchased these share issues equal to the amount of taxes due resulting from reassessment by the tax department.

In this regard, the Corporation accrued a liability to the shareholders in November 2022 based on the assumption of the highest marginal tax rate in Alberta (48%) applied to the total spending shortfall of $347,152 amounting to $166,633. Only one claim for payment has been received and was paid in February 2024 leaving the liability substantially outstanding.

12 CEBA loan

The Corporation received the Canada Emergency Business Account (“CEBA”) loan from the Government of Canada in the amount of $40,000, which bears interest at 0% per annum until January 18, 2024. Interest will accrue at 5% per annum commencing on January 19, 2024. The loan matures on December 31, 2026. The Corporation has decided not to repay the CEBA loan at this time due to its low cash reserves. This decision results in the forfeiture of the $10,000 loan forgiveness available if repaid prior to January 18, 2024. Accordingly, the Corporation has expensed the previously recorded income that was booked for the expected loan forgiveness of $10,000.

13 Subsequent events

On March 26, 2024, the Board approved the grant of 3,700,000 Stock Options to directors, officers and consultants of the Company pursuant to its incentive stock option plan to be effective on March 26, 2024 with an exercise price equal to that of the closing price on that day of $0.07 cents per share. The Options were issued with 3,400,000 options vesting 12 months from the date of issue and having a 5-year term, and the remaining 300,000 options vesting immediately and having a 10-year term.

On April 2, 2024 the corporation announced that it issued 1,020,055 Deferred Share Units ("DSUs") to directors of the Company pursuant to its fixed 10% equity incentive compensation plan (the "Plan"). Each DSU represents a right of the holder to receive one common share ("Common Share") of the Company effective as of the date that the holder ceases service as a director of the Company. The DSUs are used to compensate directors of the Corporation for their annual retainers and are issued quarterly using a deemed value that is equal to the weighted average share price during that quarter. The DSUs do not have an exercise price but in respect of 628,255 DSU have a starting value equal to approximately $0.04974 per DSU, based on the weighted average share price for the quarter ended December 31, 2023 and in respect of 391,800 DSU have a starting value equal to approximately $0.07976 per DSU, based on the weighted average share price for the three-month period ended March 31, 2024.