Blue Sky Uranium Corp.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

Crowe MacKay LLP
1100 - 1177 West Hastings Street
Vancouver, BC V6E 4T5
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Blue Sky Uranium Corp.

Opinion

We have audited the consolidated financial statements of Blue Sky Uranium Corp. (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 Group 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- 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 other information 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 Accounting Standards as issued by the International Accounting Standards Board, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pejman Mahlooji.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada Canada
April 25, 2024

Blue Sky Uranium Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2023 $	December 31, 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		1,050,865	1,796,358
Accounts receivable		13,571	18,546
Prepaid expenses		58,887	91,299
Total current assets		1,123,323	1,906,203
Non-current assets			
Mineral property interests	3	202,377	99,682
Total non-current assets		202,377	99,682
Total Assets		1,325,700	2,005,885
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	924,457	898,572
Total Liabilities		924,457	898,572
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	4	42,192,552	40,286,362
Reserves	4	13,218,381	12,175,001
Deficit		(55,009,690)	(51,354,050)
Total shareholders' equity (deficiency)		401,243	1,107,313
Total Shareholders' Equity (Deficiency) and Liabilities		1,325,700	2,005,885

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 10)

CONTINGENCY (Note 11)

SUBSEQUENT EVENTS (Note 14)

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

"Nikolaos Cacos" , Director

"David Terry" , Director

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

Blue Sky Uranium Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Year ended December 31,	
		2023	2022
	Note	$	$
Expenses			
Accounting and audit		64,678	54,121
Corporate development and investor relations		737,796	1,240,424
Exploration	3	2,591,772	5,317,289
Management fees	5	112,800	112,800
Office and sundry	5	48,026	48,977
Professional fees	5	217,129	150,763
Rent, parking and storage		30,324	17,240
Salaries and employee benefits	5	285,303	249,340
Transfer agent and regulatory fees		80,623	74,254
Travel		8,924	-
Loss from operating activities		(4,177,375)	(7,265,208)
Other income (expenses)			
Foreign exchange loss		(374,721)	(190,194)
Gain on sale of marketable securities	7	717,074	1,871,333
Interest income		179,382	11,643
Income from other items		521,735	1,692,782
Loss and comprehensive loss for the year		(3,655,640)	(5,572,426)
Basic and diluted loss per common share	6	0.02	0.03

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

Blue Sky Uranium Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2023 $	2022 $
Operating activities		
Loss for the year	(3,655,640)	(5,572,426)
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	4,975	(6,464)
Decrease (increase) in prepaid expenses	32,412	(6,826)
Increase in accounts payable and accrued liabilities	25,885	292,165
Net cash used in operating activities	(3,592,368)	(5,293,551)
Investing activity		
Expenditures on mineral property interests	(102,695)	(19,852)
Net cash used in investing activity	(102,695)	(19,852)
Financing activities		
Issuance of common shares and warrants	3,135,000	3,916,100
Share issue costs	(185,430)	(152,987)
Warrants exercised	-	59,625
Net cash received from financing activities	2,949,570	3,822,738
Net decrease in cash and cash equivalents	(745,493)	(1,490,665)
Cash and cash equivalents at beginning of year	1,796,358	3,287,023
Cash and cash equivalents at end of year	1,050,865	1,796,358

SUPPLEMENTARY CASH FLOW INFORMATION (Note 12)

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

Blue Sky Uranium Corp.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of Shares	Amount $	Contributed Surplus $	Equity Settled Share-based Payments $	Warrants $	Deficit $	Total $
Balance at December 31, 2021	185,455,307	37,662,884	4,568,431	1,882,184	4,525,126	(45,781,624)	2,857,001
Private placements	32,161,000	2,769,104	-	-	1,146,996	-	3,916,100
Share issue costs	-	(152,987)	-	-	-	-	(152,987)
Agents' warrants granted	-	(62,246)	-	-	62,246	-	-
Warrants exercised	238,500	69,607	-	-	(9,982)	-	59,625
Warrants and agents' warrants expired	-	-	312,082	-	(312,082)	-	-
Stock options expired	-	-	41,543	(41,543)	-	-	-
Comprehensive loss for the year	-	-	-	-	-	(5,572,426)	(5,572,426)
Balance at December 31, 2022	217,854,807	40,286,362	4,922,056	1,840,641	5,412,304	(51,354,050)	1,107,313
Private placements	41,799,999	2,186,921	-	-	948,079	-	3,135,000
Share issue costs	-	(185,430)	-	-	-	-	(185,430)
Agents' warrants granted	-	(95,301)	-	-	95,301	-	-
Warrants and agents' warrants expired	-	-	1,109,377	-	(1,109,377)	-	-
Stock options expired	-	-	722,873	(722,873)	-	-	-
Comprehensive loss for the year	-	-	-	-	-	(3,655,640)	(3,655,640)
Balance at December 31, 2023	259,654,806	42,192,552	6,754,306	1,117,768	5,346,307	(55,009,690)	401,243

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the Business Corporation Act of British Columbia on November 30, 2005 as Mulligan Capital Corp. On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On June 27, 2006 the Company completed its initial public offering and on June 28, 2006 the Company listed its common shares on the TSX Venture Exchange (the "TSX-V") as a capital pool company. On February 7, 2007, the Company completed its qualifying transaction and was upgraded to Tier II status on the TSX-V. The Company also changed its name to Blue Sky Uranium Corp. to reflect its business as a junior uranium exploration company. The address of the Company's registered office is Suite 411 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and the future profitability of the properties.

These audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to consolidated financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of $55,009,690 and shareholders' equity of $401,243 at December 31, 2023. In addition, the Company has working capital of $198,866 at December 31, 2023 and negative cash flow from operating activities of $3,592,368. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These audited consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

The Company's audited consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with IFRS issued by the IASB, effective for the Company's reporting for the year ended December 31, 2023. These consolidated financial statements were approved by the Board of Directors of the Company on April 25, 2024.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Blue Sky Uranium Holdings Corp.	BC, Canada	Holding company
Minera Cielo Azul S.A. (Argentina)	Argentina	Exploration company
Desarrollo de Inversiones S.A. (Argentina)	Argentina	Exploration company
Viento de Oro S.A. de C.V. (Mexico)	Mexico	Exploration company

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

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

Financial instruments

i. Classification

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 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

The following table summarizes the classification and measurement of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification and Measurement
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Marketable Securities	FVTPL

ii. Measurement

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.

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.

iii. 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.

Foreign currencies

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

Exploration, Evaluation and Development Expenditures

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions with high credit ratings.

Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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 period.

In addition, at the end of each reporting period the Company reviews whether there is any indication that a previously recorded impairment should be reversed. If the recoverable amount of an asset is estimated to be greater than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the previous impairment loss is reversed in the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Valuation of equity units issued in private placements

The Company follows a pro rata allocation method with respect to the measurement of shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black-Scholes pricing model. The fair value attributed to the warrants is recorded in warrant reserves.

Share-based Payment Transactions

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss. The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable. The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date are minimal.

Loss per Share

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

Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting judgments

i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

ii. The analysis of the functional currency for each entity of the Company involves significant estimation and judgement by management. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

iii. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment or a reversal of previously recorded impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

New and amended IFRS standards that are effective for the current period:

Effective January 1, 2023, the Company adopted Amendments to IAS 1, Presentation of financial statements and IFRS Practice Statement 2, Making Materiality Judgements that continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments were adopted for the year ended December 31, 2023. These amendments reduced the disclosure of accounting policies for the Company.

New Accounting Standards and Interpretations not yet effective

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2023 and accordingly, have not been applied in preparing these consolidated financial statements.

Amendments to IAS 1, Classification of Liabilities as Current or Non-current (effective January 1, 2024) provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. MATERIAL ACCOUNTING POLICIES (continued)

Amendments to IAS 21, Lack of Exchangeability (effective January 1, 2025) requires companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies. The amendments will help companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and when it cannot, in determining the exchange rate to use and the disclosures to provide.

3. MINERAL PROPERTY INTERESTS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company holds title to and is continuing to explore as December 31, 2023:

Acquisition Costs

	Argentina		
	Ivana **$**	**Regalo** **$**	**Total** **$**
Balance – December 31, 2021	54,830	25,000	79,830
Additions	19,852	-	19,852
Balance – December 31, 2022	74,682	25,000	99,682
Additions	102,695	-	102,695
Balance – December 31, 2023	177,377	25,000	202,377

Ivana Property

The Company owns a 100% interest in the 153,000 hectare (1,530 km^2) Ivana uranium property in the San Jorge Basin, Province of Rio Negro, located in the Northern Patagonia region of Argentina. The Ivana property forms the southeastern portion of Amarillo Grande Project.

Regalo Property

The Company owns a 100% interest in the 28,300 hectare (283 km^2) Regalo property located northwest of the Cerro Solo Uranium District in the province of Chubut Argentina.

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina		
	Amarillo Grande		
	Ivana $	Other* $	Total $
Cumulative exploration costs December 31, 2022	19,736,674	7,465,398	27,202,072
Expenditures during the year:			
Assays	50,370	-	50,370
Geophysics	66,521	-	66,521
Office	89,302	1,152	90,454
Property maintenance payments	-	46,542	46,542
Salaries and contractors	1,681,961	10,218	1,692,179
Social and community	37,928	-	37,928
Statutory taxes	150,788	2,062	152,850
Supplies and equipment	291,284	-	291,284
Transportation	163,644	-	163,644
	2,531,798	59,974	2,591,772
Cumulative exploration costs December 31, 2023	22,268,472	7,525,372	29,793,844

*Other includes Anit, Santa Barbara, Regalo, and Sierra Colonia.

	Argentina		
	Amarillo Grande		
	Ivana $	Other* $	Total $
Cumulative exploration costs December 31, 2021	14,447,411	7,437,372	21,884,783
Expenditures during the year:			
Assays	77,593	-	77,593
Drilling	1,257,694	-	1,257,694
Geophysics	68,002	-	68,002
Metallurgy	25,315	-	25,315
Office	315,468	9,624	325,092
Property maintenance payments	69,988	16,085	86,073
Salaries and contractors	1,782,532	255	1,782,787
Social and community	45,681	-	45,681
Statutory taxes	587,063	2,062	589,125
Supplies and equipment	734,149	-	734,149
Transportation	325,778	-	325,778
	5,289,263	28,026	5,317,289
Cumulative exploration costs December 31, 2022	19,736,674	7,465,398	27,202,072

*Other includes Anit, Santa Barbara, Regalo, and Sierra Colonia.

4. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital comprises an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2023

On October 13, 2023, the Company completed the second and final tranche of the non-brokered private placement announced on September 26, 2023 and increased on October 4, 2023. The Company issued 7,133,333 units in this tranche at a price of $0.075 per unit for gross proceeds of $535,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.12 per share for three years from the date of issue. Finder's fees paid were $32,372 cash and 431,620 non-transferable warrants exercisable into common shares at $0.075 for three years from the date of issue with a fair value of $12,667. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.88%; expected stock price volatility – 88.61%; dividend yield – 0%; and expected warrant life – 2.48 years.

On October 4, 2023, the Company completed the first tranche of the non-brokered private placement announced on September 26, 2023 and increased on October 4, 2023. The Company issued 13,333,333 units in this tranche at a price of $0.075 per unit for gross proceeds of $1,000,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.12 per share for three years from the date of issue. Finder's fees paid were $64,921 cash and 865,620 non-transferable warrants exercisable into common shares at $0.075 for three years from the date of issue with a fair value of $32,289.

Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.85%; expected stock price volatility – 89.44%; dividend yield – 0%; and expected warrant life – 2.5 years.

On July 12, 2023, the Company completed the second and final tranche of the non-brokered private placement announced on June 8, 2023 and increased on July 12, 2023. The Company issued 7,861,032 units in this tranche at a price of $0.075 per unit for gross proceeds of $589,577. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.12 per share for three years from the date of issue. Finder's fees paid were $40,063 cash and 534,172 non-transferable warrants exercisable into common shares at $0.075 for three years from the date of issue with a fair value of $22,904. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.62%; expected stock price volatility – 92.2%; dividend yield – 0%; and expected warrant life – 2.62 years.

On June 19, 2023, the Company completed the first tranche of the non-brokered private placement announced on June 8, 2023. The Company issued 13,472,301 units in this tranche at a price of $0.075 per unit for gross proceeds of $1,010,423. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.12 per share for three years from the date of issue. Finder's fees paid were $48,074 cash and 640,985 non-transferable warrants exercisable into common shares at $0.075 for three years from the date of issue with a fair value of $27,441. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.57%; expected stock price volatility – 92.38%; dividend yield – 0%; and expected warrant life – 2.6 years.

4. SHARE CAPITAL AND RESERVES (continued)

Details of Issues of Common Shares in 2022

On December 20, 2022, the Company completed the second and final tranche of the non-brokered private placement announced on November 21, 2022 and increased on December 1, 2022. The Company issued 1,381,000 units in this tranche at a price of $0.10 per unit for gross proceeds of $138,100. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.20 per share for two years from the date of issue. Finder's fees payable were $3,052 cash and 30,520 non-transferable warrants exercisable into common shares at $0.20 for two years from the date of issue with a fair value of $1,154. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.73%; expected stock price volatility – 92.23%; dividend yield – 0%; and expected warrant life – 2 years.

On December 2, 2022, the Company completed the first tranche of the non-brokered private placement announced on November 21, 2022 and increased on December 1, 2022. The Company issued 16,780,000 units in this tranche at a price of $0.10 per unit for gross proceeds of $1,678,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.20 per share for two years from the date of issue. Finder's fees payable were $58,730 cash and 587,300 non-transferable warrants exercisable into common shares at $0.20 for two years from the date of issue with a fair value of $24,108. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.72%; expected stock price volatility – 92.56%; dividend yield – 0%; and expected warrant life – 2 years.

On June 22, 2022, the Company completed the third and final tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 2,261,000 units in this tranche at a price of $0.15 per unit for gross proceeds of $339,150. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for three years from the date of issue. Finder's fees payable were $20,275 cash and 135,170 non-transferable warrants exercisable into common shares at $0.25 for three years from the date of issue with a fair value of $6,581. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.22%; expected stock price volatility – 102.55%; dividend yield – 0%; and expected warrant life – 2.37 years.

On June 14, 2022, the Company completed the second tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 6,045,000 units in this tranche at a price of $0.15 per unit for gross proceeds of $906,750. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for three years from the date of issue. Finder's fees payable were $45,465 cash and 303,100 non-transferable warrants exercisable into common shares at $0.25 for three years from the date of issue with a fair value of $14,756. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.42%; expected stock price volatility – 102.31%; dividend yield – 0%; and expected warrant life – 2.37 years.

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. SHARE CAPITAL AND RESERVES (continued)

On June 7, 2022, the Company completed the first tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 5,694,000 units in this tranche at a price of $0.15 per unit for gross proceeds of $854,100. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.25 per share for three years from the date of issue. Finder's fees payable were $25,465 cash and 169,097 non-transferable warrants exercisable into common shares at $0.25 for three years from the date of issue with a fair value of $15,647. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.99%; expected stock price volatility – 101.93%; dividend yield – 0%; and expected warrant life – 2.4 years.

Expected volatility was estimated based on the historical prices of the Company's stock.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

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

Options

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

Expiry date	Exercise Price	December 31, 2022	Expired/ Forfeited	December 31, 2023	Options Exercisable
January 23, 2023	$0.30	4,070,000	(4,070,000)	-	-
January 29, 2026	$0.25	11,750,000	-	11,750,000	11,750,000
		15,820,000	(4,070,000)	11,750,000	11,750,000
Weighted average exercise price ($)		0.26	0.30	0.25	0.25
Weighted average contractual remaining life (years)		2.31	-	2.08	2.08

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. SHARE CAPITAL AND RESERVES (continued)

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

Expiry date	Exercise Price	December 31, 2021	Expired/ Forfeited	December 31, 2022	Options Exercisable
January 23, 2023	$0.30	4,170,000	(100,000)	4,070,000	4,070,000
January 29, 2026	$0.25	12,000,000	(250,000)	11,750,000	11,750,000
		16,170,000	(350,000)	15,820,000	15,820,000
Weighted average exercise price ($)		0.26	0.26	0.26	0.26
Weighted average contractual remaining life (years)		3.30	-	2.31	2.31

Warrants

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

Expiry date	Exercise Price	December 31, 2022	Granted	Expired	December 31, 2023
February 28, 2023	$0.35	7,258,500	-	(7,258,500)	-
June 11, 2023	$0.30	24,906,588	-	(24,906,588)	-
July 21, 2023	$0.25	214,375	-	(214,375)	-
July 30, 2023	$0.25	91,893	-	(91,893)	-
January 11, 2024(1)	$0.25	91,903	-	-	91,903
January 26, 2024(1)	$0.25	552,300	-	-	552,300
June 4, 2024	$0.25	2,159,850	-	-	2,159,850
July 11, 2024	$0.25	2,043,332	-	-	2,043,332
October 23, 2024	$0.35	4,760,000	-	-	4,760,000
December 2, 2024	$0.20	17,367,300	-	-	17,367,300
December 19, 2024	$0.20	1,411,520	-	-	1,411,520
June 7, 2025	$0.25	5,863,097	-	-	5,863,097
June 14, 2025	$0.25	6,348,100	-	-	6,348,100
June 22, 2025	$0.25	2,396,170	-	-	2,396,170
July 21, 2025	$0.25	8,613,750	-	-	8,613,750
July 30, 2025	$0.25	4,264,000	-	-	4,264,000
August 5, 2025	$0.25	338,339	-	-	338,339
January 11, 2026	$0.25	22,144,154	-	-	22,144,154
January 26, 2026	$0.25	16,446,500	-	-	16,446,500
June 19, 2026	$0.12	-	13,472,301	-	13,472,301
June 19, 2026	$0.075	-	640,985	-	640,985
July 12, 2026	$0.12	-	7,861,032	-	7,861,032
July 12, 2026	$0.075	-	534,172	-	534,172
October 4, 2026	$0.12	-	13,333,333	-	13,333,333
October 4, 2026	$0.075	-	865,620	-	865,620
October 13, 2026	$0.12	-	7,133,333	-	7,133,333
October 13, 2026	$0.075	-	431,620	-	431,620
		127,271,671	44,272,396	(32,471,356)	139,072,711
Weighted average exercise price ($)		0.26	0.12	0.31	0.20

(1) Refer to Note 14 for further information.

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. SHARE CAPITAL AND RESERVES (continued)

22,144,154 warrants set to expire on January 11, 2024 and 16,446,500 warrants set to expire on January 26, 2024 were extended to January 11, 2026, and January 26, 2026 respectively during the year ended December 31, 2023. These warrants were originally issued on January 11, 2021 and January 26, 2021, and originally set to expire on January 11, 2024 and January 26, 2024 as part of the units issued under a private placement completed by the Company in January 2021. The exercise price of the warrants remains at $0.25.

8,613,750 warrants set to expire on July 21, 2023, 4,264,000 warrants set to expire on July 30, 2023, and 338,339 warrants set to expire on August 5, 2023 were extended to July 21, 2025, July 30, 2025 and August 5, 2025 respectively during the year ended December 31, 2023. These warrants were originally issued on July 21, 2021, July 30, 2021 and August 5, 2021, and originally set to expire on July 21, 2023, July 30, 2023 and August 5, 2023 as part of the units issued under a private placement completed by the Company in July and August 2021. The exercise price of the warrants remains at $0.25.

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

Expiry date	Exercise Price	December 31, 2021	Granted	Exercised	Expired	December 31, 2022
December 19, 2022	$0.30	5,940,064	-	-	(5,940,064)	-
February 28, 2023	$0.35	7,258,500	-	-	-	7,258,500
June 11, 2023	$0.30	24,906,588	-	-	-	24,906,588
July 21, 2023	$0.25	8,928,125	-	(100,000)	-	8,828,125
July 30, 2023	$0.25	4,355,893	-	-	-	4,355,893
August 5, 2023	$0.25	338,339	-	-	-	338,339
January 11, 2024	$0.25	21,274,557	-	(38,500)	-	21,236,057
January 26, 2024	$0.25	17,998,800	-	-	-	17,998,800
June 4, 2024	$0.25	2,289,012	-	(100,000)	(29,162)	2,159,850
July 11, 2024	$0.25	2,043,332	-	-	-	2,043,332
October 23, 2024	$0.35	4,760,000	-	-	-	4,760,000
June 7, 2025	$0.25	-	5,863,097	-	-	5,863,097
June 14, 2025	$0.25	-	6,348,100	-	-	6,348,100
June 22, 2025	$0.25	-	2,396,170	-	-	2,396,170
December 2, 2024	$0.20	-	17,367,300	-	-	17,367,300
December 19, 2024	$0.20	-	1,411,520	-	-	1,411,520
		100,093,210	33,386,187	(238,500)	(5,969,226)	127,271,671
Weighted average exercise price ($)		0.27	0.22	0.25	0.30	0.26

5. RELATED PARTY BALANCES AND TRANSACTIONS

Grosso Group Management Ltd.

On April 1, 2010, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group Management Ltd. (“Grosso Group”) to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. The fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expires on December 31, 2024 and has been automatically renewed for a period of two years pursuant to the terms of the Agreement.

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000.

	Year ended December 31,	
Transactions	2023 $	2022 $
Services rendered:		
Grosso Group Management Ltd.		
Management fees	112,800	112,800
Office & sundry	19,200	19,200
Total for services rendered	132,000	132,000

Key management personnel compensation

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

		Year ended December 31,	
Transactions		2023 $	2022 $
Consulting, salaries and professional fees to key management or their consulting corporations:			
President/CEO/Director	Salaries and employee benefits	69,537	62,340
CFO	Salaries and employee benefits	32,354	30,000
Directors/Consultants	Salaries, employee benefits and professional fees	155,710	146,000
Total for services rendered		257,601	238,340

	As at December 31,	
Balances	2023 $	2022 $
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp.(1)	390,645	271,154
Payable to Grosso Group Management Ltd. (2)	374,248	251,795
Payable to Oxbow International Marketing Ltd.(2)	688	1,154
Total shared costs included in accounts payable	765,581	524,103

(1) A company related through common directors that receives reimbursement for shared office costs and overhead.
(2) A company owned by Joseph Grosso, Director of Blue Sky Uranium Corporation.

Balances are unsecured, non-interest bearing and has no specific terms of repayment.

6. BASIC AND DILUTED LOSS PER SHARE

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

	Year ended December 31,	
	2023	2022
Loss attributable to common shareholders ($)	3,655,640	5,572,426
Weighted average number of common shares outstanding	232,986,228	193,858,978

Diluted loss per share did not include the effect of 11,750,000 (December 31, 2022 – 15,820,000) common share purchase options and 139,072,711 (December 31, 2022 – 127,271,671) common share purchase warrants as they are anti-dilutive.

7. MARKETABLE SECURITIES

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

As a result of having utilized this mechanism for intragroup funding for the year ended December 31, 2023, the Company realized a gain of $717,074 (December 31, 2022 – $1,871,333) from the favorable foreign currency impact.

8. OPERATING SEGMENTS

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the year ended December 31, 2023.

The Company's total non-current assets are segmented geographically as follows:

	December 31, 2023	
	Argentina $	Total $
Mineral property interests	202,377	202,377
	202,377	202,377

	December 31, 2022	
	Argentina $	Total $
Mineral property interests	99,682	99,682
	99,682	99,682

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. INCOME TAXES

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax due to the following:

	2023	2022
	$	$
Loss before income taxes	(3,655,640)	(5,572,426)
Income tax recovery at statutory rate	(987,023)	(1,504,555)
Non-deductible differences	(138,296)	(421,854)
Rate differential and other	45,549	98,359
Foreign exchange movement	1,759,818	813,613
Non-capital loss expired	-	(17)
Change in unrecognized tax benefits	(680,048)	1,014,454
Income tax recovery	-	-
Statutory tax rate	27.00%	27.00%

Temporary Differences Not Recognized

The Company has unrecognized deductible temporary differences aggregating $33,645,020 (2022 - $36,313,703), noted below that are available to offset future taxable income. The potential benefit of these deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the temporary differences to be recovered.

	December 31, 2023	Expiry dates	December 31, 2022
Non-capital losses	27,697,134	2026 – 2043	25,696,993
Resource deductions	5,610,581	No expiry	10,369,565
Property and equipment	43,741	No expiry	43,741
Financing costs	293,563	2024-2027	203,404
Total	33,645,020		36,313,703

At December 31, 2023, the Company has accumulated non-capital loses in Canada aggregating $27,682,344 (2022 – $25,696,901) which expire over the period between 2026 and 2043, available to offset future taxable income in Canada.

At December 31, 2023, the Company has accumulated non-capital loss carry forward in Argentina aggregating $Nil (2022 – $Nil), available to offset future taxable income in Argentina. The Company has available resource deductions in Argentina of approximately $2,250,116 (2022 – $7,009,100).

10. COMMITMENT

Management Services Agreement

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is $9,400 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The table below represents the Company's aggregate commitment to Grosso Group over the term of the Management Services Agreement.

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. COMMITMENT (continued)

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	112,800	112,800	-	-	-

The Company has a consulting agreement with its Chairman of the Board (the "Chairman Agreement"). The termination provisions of the Chairman Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Chairman would receive an amount equal to 24 months' compensation. As of December 31, 2023, the Company would have to pay $113,317 to the Chairman in the event of termination without cause or a change of control.

The Company has a consulting agreement with its President and CEO (the "CEO Agreement"). The termination provisions of the CEO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CEO would receive an amount equal to 24 months' compensation. As of December 31, 2023, the Company would have to pay $135,980 to the CEO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its CFO (the "CFO Agreement"). The termination provisions of the CFO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CFO would receive an amount equal to 24 months' compensation. As of December 31, 2023, the Company would have to pay $64,080 to the CFO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Corporate Secretary (the "Corporate Secretary Agreement"). The termination provisions of the Corporate Secretary Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Corporate Secretary would receive an amount equal to 24 months' compensation. As of December 31, 2023, the Company would have to pay $76,896 to the Corporate Secretary in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Controller (the "Controller Agreement"). The termination provisions of the Controller Agreement provide that a fee of 12 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Controller would receive an amount equal to 12 months' compensation. As of December 31, 2023, the Company would have to pay $36,000 to the Controller in the event of termination without cause or a change of control.

11. CONTINGENCY

During 2021, the Company's wholly owned Argentine subsidiary, Minera Cielo Azul S.A. was named in a lawsuit (the "Lawsuit") introduced before the Supreme Court of the Province of Rio Negro by anti-mining, environmental activists (the "Plaintiffs") in Argentina who were asserting environmental protection rights, among other arguments against the Amarillo Grande project, comprised of Ivana, Anit and Santa Barbara projects. On January 12, 2022, the Company announced that the Lawsuit and a subsequent appeal filed before the same court had been dismissed. The Plaintiffs did not file any further appeals and therefore the ruling is considered final.

(Expressed in Canadian Dollars Unless Otherwise Noted)

12. SUPPLEMENTARY CASH FLOW INFORMATION

	Year ended December 31,	
	2023	2022
	$	$
Non-cash investing and financing activities:		
Share issue cost – issuance of warrants to agents	95,301	62,246
Warrants and agents' warrants expired	1,109,377	312,082
Stock options expired	722,873	41,543
Warrants exercised	-	9,982
Cash and cash equivalents:		
Cash	126,317	992,103
Cash equivalents	924,548	804,255

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

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

(a) Fair Values

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash and cash equivalents, marketable securities, and accounts payable and accrued liabilities.

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by depositing its cash and short-term investments with financial institutions that operate globally. Therefore, the Company is not exposed to significant credit risk and the Company's overall credit risk has not changed significantly from the prior year.

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: cash, and accounts payable all denominated in United States dollars and Argentinean pesos. A 10% change in US dollar and the Argentinean peso exchange rates relative to Canadian dollar would have insignificant impact on the Company's net loss:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $2,000.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $2,000.

(ii) ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The fair value of cash and cash equivalents approximates its carrying value due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future. The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds. The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the year ended December 31, 2023.

14. SUBSEQUENT EVENTS

Warrants Expiry

- 91,903 warrants at an exercise price of $0.25 expired unexercised on January 11, 2024.
- 552,300 warrants at an exercise price of $0.25 expired unexercised on January 26, 2024.

Contingency

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