REEFTON GOLDFIELDS INC.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Reefton Goldfields Inc.

Opinion

We have audited the accompanying consolidated financial statements of Reefton Goldfields Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 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 material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $1,964,814 during the year ended December 31, 2023 and, as of that date, the Company's total deficit was $10,968,911. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
April 26, 2024

REEFTON GOLDFIELDS INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	December 31, 2023	December 31, 2022
Assets			
Current assets:			
Cash		$ **207,733**	$ 1,140,629
GST receivables		**86,511**	25,691
Prepaid expenses		**90,214**	77,513
		384,458	1,243,833
Reclamation bond	7	**83,630**	51,535
Equipment	6	**48,046**	74,282
Total assets		**$ 516,134**	$ 1,369,650
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities:			
Accounts payable and accrued liabilities	9	$ **490,342**	$ 162,222
Promissory note payable	5	**805,000**	-
Total liabilities		**1,295,342**	162,222
Shareholders' equity (deficiency):			
Share capital	8	**9,778,587**	9,778,587
Reserves	8	**403,400**	403,400
Accumulated other comprehensive income		**7,716**	29,538
Deficit		**(10,968,911)**	(9,004,097)
Total shareholders' equity (deficiency)		**(779,208)**	1,207,428
Total liabilities and shareholders' equity (deficiency)		**$ 516,134**	$ 1,369,650

Nature and continuance of operations (Note 1)
Subsequent events (Note 5, 8)

The consolidated financial statements were approved for issuance on April 26, 2024 by the Board of Directors by:

"*Oliver Lennox-King*"	"*Simon Henderson*"
Director	Director

REEFTON GOLDFIELDS INC.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes		2023		2022
			Years ended December 31,		
Operating expenses:					
Exploration and evaluation	7		**1,315,978**		2,041,380
Professional fees			**427,300**		103,064
Office and administration			**241,277**		237,010
Depreciation	6	**$**	**39,719**	$	38,536
			(2,024,274)		(2,419,990)
Interest income			**10,275**		13,991
Other income			**49,185**		-
Net loss for the year			**(1,964,814)**		(2,405,999)
Other comprehensive loss:					
Currency translation adjustment			**(21,822)**		(34,123)
Net loss and comprehensive loss		**$**	**(1,986,636)**	$	(2,440,122)
Weighted average shares outstanding – basic and diluted			**70,285,546**		67,214,828
Basic and diluted loss per share		**$**	**(0.03)**	$	(0.04)

REEFTON GOLDFIELDS INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Notes		Years ended December 31, 2023		2022
Operating activities					
Net loss for the year		**$**	**(1,964,814)**	$	(2,405,999)
Adjustments for:					
Depreciation			**39,719**		38,536
Changes in non-cash working capital items:					
GST receivables			**(60,820)**		8,639
Prepaid expenses			**(12,701)**		7,259
Accounts payable and accrued liabilities			**328,120**		67,417
Net cash used in operating activities			**(1,670,496)**		(2,284,148)
Investing activities					
Acquisition of equipment	6		**(15,607)**		(42,993)
Reclamation bond	7		**(33,124)**		-
Net cash used in investing activities			**(48,731)**		(42,993)
Financing activities					
Proceeds from promissory note payable	5		**805,000**		-
Proceeds from private placements	8		**-**		2,107,491
Net cash provided by financing activities			**805,000**		2,107,491
Net change in cash in the year			**(914,227)**		(219,650)
Change in foreign exchange – cash and other			**(18,669)**		(37,011)
Cash, beginning of year			**1,140,629**		1,397,290
Cash, end of year		**$**	**207,733**	$	1,140,629

During the years ended December 31, 2023 and 2022, there were no non-cash investing or financing activities and there was $nil (2022 - $nil) paid in interest or taxes.

REEFTON GOLDFIELDS INC.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars)

	Share Capital										
	Shares		Amount		Reserves		Accumulated other comprehensive income		Deficit		**Total shareholders' equity (deficiency)**
Balance, December 31, 2021	59,748,091	$	7,671,096	$	403,400	$	63,661	$	(6,598,098)	$	**1,540,059**
Shares issued pursuant to private placement	10,537,455		2,107,491		-		-		-		**2,107,491**
Foreign currency translation adjustment	-		-		-		(34,123)		-		**(34,123)**
Net loss for the year	-		-		-		-		(2,405,999)		**(2,405,999)**
Balance, December 31, 2022	**70,285,546**	**$**	**9,778,587**	**$**	**403,400**	**$**	**29,538**	**$**	**(9,004,097)**	**$**	**1,207,428**
Foreign currency translation adjustment	-		-		-		(21,822)		-		**(21,822)**
Net loss for the year	-		-		-		-		(1,964,814)		**(1,964,814)**
Balance, December 31, 2023	**70,285,546**	**$**	**9,778,587**	**$**	**403,400**	**$**	**7,716**	**$**	**(10,968,911)**	**$**	**(779,208)**

1. Nature and continuance of operations

Reefton Goldfields Inc. ("Reefton" or "the Company") was incorporated under the Business Corporations Act of British Columbia on August 20, 2020. The address of its registered head office is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BV, V7X 1T2.

The Company is in the process of exploring its resource properties in New Zealand and has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts shown for exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

During the year ended December 31, 2023, the Company recorded a loss of $1,964,814 (2022 – $2,405,999). The Company has not yet achieved profitable operations and has a deficit of $10,968,911 (2022 – $9,004,097) since its inception. The Company expects to incur further losses in the development of its business. The Company is subject to risks and challenges impacting its operations including, but not limited to, the ability to secure adequate financing to meet expenditure requirements including maintenance costs on its exploration and evaluation assets, and to successfully satisfy its commitments and continue as a going concern. The Company is dependent on equity and debt financings to fund its operations. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements for the year ended December 31, 2023 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

Over the past year, global stock markets have experienced volatility and significant weakening in the aftermath of COVID-19. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Volatility in financial markets subsequent to December 31, 2023, may have a significant impact on the Company's financial position. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time.

2. Basis of preparation

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issuance by the Board of Directors on April 26, 2024.

b. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair values.

c. Basis of presentation

These consolidated financial statements are presented in Canadian dollars. Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the parent company is the Canadian dollar ("CAD") and the functional currency of Reefton Gold Limited is the New Zealand dollar ("NZD").

d. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries which it controls: Reefton Gold Limited ("RGL") and Advent Gold Limited ("Advent"). Advent is dormant, and no activity has taken place since the year ended December 31, 2021.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All significant intercompany transactions and balances have been eliminated.

3. Material accounting policies

a. Foreign currencies

Transactions in currencies other than the Company and its subsidiaries' functional currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are re-measured at the rate of exchange at the financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

On translation of the entities whose functional currency is not the Canadian dollar, expenses are translated at the exchange rate approximating those in effect on the date of the transactions. Assets and liabilities are translated at the rate of exchange at the reporting date and equity is translated at historical rates. Exchange gains and losses, including results of re-translation, are recorded as a cumulative translation adjustment in other comprehensive income.

b. Cash and cash equivalents

Cash and cash equivalents may include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amounts of cash, with maturities of 90 days or less when acquired. As at December 31, 2023 and 2022, the Company did not have any cash equivalents.

c. Equipment

Equipment is carried at cost, less accumulated depreciation and impairment losses. Cost consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and initial estimate of the costs of dismantling and removing the item.

Equipment is depreciated over its estimated useful life using the declining balance method using the following rates:

- Vehicles 30%
- Computer software and hardware 50%
- Exploration equipment 50%
- Office equipment 13%

Management reviews and evaluates the useful lives and residual values of items of plant and equipment, and adjusts if appropriate, at the end of each reporting period. The carrying amount of an item of property and equipment is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

d. Exploration and evaluation expenditures

Exploration and pre-extraction expenditures are expensed as incurred until such time as technical feasibility and commercial viability of the mineral properties is demonstratable, after which subsequent expenditures related to development activities for that particular project are capitalized as incurred.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as but not limited to: the extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document; the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study; the status of environmental permits, and the status of mining leases or permits.

All costs relating to the construction, installation, or completion of a mine that are incurred subsequent to the exploration and evaluation stage are capitalized to mineral property. Development expenditure is net of proceeds from the sale of ore extracted during the development phase.

e. Impairment of non-financial assets

The Company's non-financial assets are tested for impairment if facts or circumstances indicate that impairment exists. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash generating units or "CGUs").

If an indicator of impairment exists, the recoverable amount of the asset (or CGU) is estimated in order to determine the extent of impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 profit or loss for the period. For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

f. Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation assets in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability.

The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows.

As at December 31, 2023 and 2022, the Company has no known restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets. The Company has issued a reclamation bond for $83,630 (NZD $100,000)

(2022 - $51,535 (NZD $60,000)) in relation to the access arrangement the Company acquired for one if its mining permits in New Zealand (Note 7).

g. Income taxes

Current income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws are used to compute the amount are those that are enacted or subsequently enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income taxes relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax liabilities and asset and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

h. Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity (deficiency). Shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

i. Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the periods presented. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. Diluted loss per share excludes all dilutive potential equity instruments if their effect is anti-dilutive.

j. Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share based payments to non-employees are measured at the fair value of 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 fair value of options is determined using a Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The fair value of awards are charged to the statement of loss and comprehensive loss and credited to reserves within shareholders' equity (deficiency). Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period.

k. Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or have been transferred, and the Company has transferred substantially all risks and rewards of ownership. A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires.

Financial assets and liabilities are offset, and the net amount is reported on the statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, all financial assets and liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities classified as FVTPL are expensed in the period in which they are incurred. Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Classification of Financial Assets

Amortized cost

Financial assets that meet the following conditions are measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not hold any financial assets classified as FVTOCI.

FVTPL

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

The Company does not have any financial assets measured at FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Classification of Financial Liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company's accounts payable and accrued liabilities and promissory note payable are classified as other financial liabilities and carried on the statement of financial position at amortized cost.

l. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

m. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

During the year ended December 31, 2023, the Company recognized rent expense of $150,190 (2022 – $144,885) for short term leases which is included in office and administration.

n. New accounting policies

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2023. With the exception of changing the Company's accounting policies from "significant" to "material", the Company has reviewed all other updates and determined that many of these updates are not applicable to or consequential to the Company and have been excluded from discussion within these material accounting policies.

o. Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2024. The Company has reviewed these updates and determined that none of these updates are applicable or consequential to the Company and have been excluded from discussion within these material accounting policies.

4. Significant accounting estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Critical accounting judgements

Judgments made in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

a. Functional currency

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The functional currency for the Company is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

b. Title to exploration and evaluation assets

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

Critical accounting estimates

Estimates made in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

a. Estimated useful lives of equipment

The Company estimates depreciation rates and selects methods used to allocate depreciable amounts of equipment in a systematic basis over their estimated useful lives. Technical obsolescence of equipment could significantly impact estimated residual useful lives and in turn carrying values being over or understated.

b. Valuation of warrants and stock options

In calculating the fair value of warrants and stock options issued, management determines the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The inputs used in the model require estimates related to the Company's current share price, share price volatility, dividend yield and the expected life of the equity instrument. To the extent that these estimates are not correct, the value of the instruments within equity may differ.

5. Transaction with First Uranium Resources

On February 27, 2024, the Company completed a definitive agreement ("Agreement") with First Uranium Resources Ltd. ("First Uranium"), pursuant to which First Uranium acquired all of the issued and outstanding shares of the Company constituting a reverse takeover transaction (the "Transaction").

In accordance with the terms and conditions of the Agreement, the Transaction was completed by way of a three-cornered amalgamation, whereby, among other things: (i) 1424060 B.C. Ltd., a wholly-owned subsidiary of First Uranium incorporated for the purpose of effecting the Transaction, amalgamated with the Company to form an amalgamated company ("Amalco"); (ii) holders of common shares in the capital of the Company received 1.6 common shares in the capital of First Uranium for each share held in the Company (the "Exchange Ratio") and the Company's shares were cancelled; (iii) First Uranium share purchase warrants were issued to the holders of the Company's share purchase warrants in accordance with the Exchange Ratio, and the Company's warrants were cancelled; (iv) Amalco became a wholly owned subsidiary of First Uranium; and (v) First Uranium changed its name to "Rua Gold Inc."

In connection with the Transaction, First Uranium entered into a term sheet to extend to the Company a non-revolving secured loan credit facility of up to $805,000 (the "Loan") to fund exploration programs on the Reefton project and for general corporate and working capital purposes. The Company may make up to five drawdowns on the Loan, with a minimum of $100,000 per drawdown, and interest accrued on the outstanding principal amount at a rate of 8% per annum. During the year ended December 31, 2023, the Company drew $805,000 (2022 – $nil) on the Loan. Subsequent to December 31, 2023, the Loan was amended and restated to allow for an additional $500,000 drawdown, which the Company has drawn down in full. The principal amount outstanding and all interest accrued thereon was waived in its entirety upon completion of the Transaction.

(Expressed in Canadian dollars)

6. Equipment

		Computers and office equipment		Exploration equipment		Vehicles		Total
Cost								
Balance, December 31, 2021	$	21,916	$	94,422	$	17,172	$	133,510
Additions		5,069		37,924		-		42,993
Currency translation		(20)		2,924		(159)		2,745
Balance, December 31, 2022		**26,965**		**135,270**		**17,013**		**179,248**
Additions		4,286		10,606		715		15,607
Currency translation		(623)		(3,462)		(435)		(4,520)
Balance, December 31, 2023	**$**	**30,628**	**$**	**142,414**	**$**	**17,293**	**$**	**190,335**
Accumulated depreciation								
Balance, December 31, 2021	$	12,242	$	44,733	$	10,077	$	67,052
Additions		5,299		31,064		2,173		38,536
Currency translation		(113)		(412)		(97)		(622)
Balance, December 31, 2022		**17,428**		**75,385**		**12,153**		**104,966**
Additions		5,901		32,297		1,521		39,719
Currency translation		(239)		(1,853)		(304)		(2,396)
Balance, December 31, 2023	**$**	**23,090**	**$**	**105,829**	**$**	**13,370**	**$**	**142,289**
Net Book Value								
December 31, 2022	$	9,537	$	59,885	$	4,860	$	74,282
December 31, 2023	**$**	**7,538**	**$**	**36,585**	**$**	**3,923**	**$**	**48,046**

7. Exploration and evaluation expenditures

The Company's exploration and evaluation expenditures are expensed as incurred. During the years ended December 31, 2023 and 2022, the Company incurred the following expenditures:

	Year ended December 31,			
		2023		**2022**
Salaries	**$**	**552,381**	$	570,328
Field expenses		**272,005**		246,254
Drilling		**271,361**		1,064,134
Permits		**100,664**		101,917
Consultants		**72,550**		6,411
Office and other		**47,017**		52,336
	$	**1,315,978**	$	2,041,380

The Company's current operations comprises one prospecting permit and three exploration permits.

- Kirwans East – Permit 60554 is a prospecting permit which was granted to RGI on September 27, 2019 for a period of 4 years, which expired on September 26, 2023. During the year ended December 31, 2023, the Company submitted an application to New Zealand Petroleum and Minerals ("NZPAM") for an additional duration of 5 years, extendable to 10 years. The permit remains in good standing beyond the expiry date while the application is being considered by the NZPAM.

- Capleston – Permit 60491 is an exploration permit that was granted on April 12, 2019 for a term of 5 years and expires on April 11, 2024. The Company has a commitment to pay NZD 8,000 on an annual basis to keep the permit in good standing. In addition, the Company has paid a reclamation deposit as part of an access arrangement in the amount of $83,630 (NZD $100,000) (2022 – $51,535 (NZD $60,000)).

(Expressed in Canadian dollars)

- Kirwans Hill – Permit 60624 (previously 60377) is an exploration permit which was granted on September 22, 2020 for a period of 5 years, expiring on September 21, 2025. The permit was acquired through an option agreement with MGP Partnership, which maintains a $1,000,000 net-smelter returns royalty ("NSR") on all precious metals and minerals produced from hard rock mining conducted under the permit.

- Hauraki – Permit 60950 is an exploration permit which was granted on October 31, 2023 for a period of 5 years, expiring on October 31, 2028. The permit was acquired through NZPAM's newly available acreage process. No mineral exploration has been undertaken at Hauraki during the year ended December 31, 2023.

8. Share capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2023, the Company has 70,285,546 (2022 – 70,285,546) common shares outstanding.

(b) Issued and outstanding

During the year ended December 31, 2023, there were no share transactions. Subsequent to December 31, 2023, pursuant to the terms of the Transaction, 70,285,546 common shares of the Company were cancelled and 112,456,874 common shares of Amalco were issued to First Uranium in consideration for the issuance of 112,456,874 First Uranium shares in exchange for the Company's shares.

During the year ended December 31, 2022, the Company issued 10,537,455 common shares pursuant to a private placement equity financing in April and May 2022. The shares were issued at $0.20 per share for gross proceeds of $2,107,491.

(c) Warrants

As at December 31, 2023 and 2022, there were 5,300,000 warrants outstanding with a weighted average remaining life of 1.25 years (2022 – 2.25 years). The warrants were initially issued as part of a share-based payment arrangement. The instruments were classified as equity settled due to the nature of the services provided and substance of the transaction. Subsequent to December 31, 2023, the exercise price of the warrants was amended from AUD $0.30 to CAD $0.20, pursuant to the Agreement relating to the Transaction. Subsequent to December 31, 2023, the warrants outstanding were cancelled pursuant to the Agreement relating to the Transaction.

9. Income taxes

The Company is subject to federal and provincial tax for the estimated assessable profit for the years ended December 31, 2023 and 2022. The Company had no assessable profit for the year. The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

		December 31, 2023		December 31, 2022
Loss for the year	**$**	**(1,964,814)**	$	(2,405,999)
Statutory rates		**27% - 30%**		27% - 30%
Income tax recovery based on statutory rate		**(531,000)**		(650,000)
Change in statutory, foreign tax, foreign exchange rates and other		**4,000**		(5,000)
Unrecognized deferred tax assets		**527,000**		655,000
Total income taxes	**$**	**-**	$	-

(Expressed in Canadian dollars)

The significant components of the Company's deferred tax assets are as follows:

		December 31, 2023		December 31, 2022
Equipment	**$**	**13,000**	$	21,000
Mineral properties		**240,000**		240,000
Tax losses		**1,630,000**		1,095,000
		1,883,000		1,356,000
Unrecognized net deferred income tax assets		**(1,883,000)**		(1,356,000)
Net deferred tax assets	**$**	**-**	$	-

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		December 31, 2023		December 31, 2022
Equipment	**$**	**48,000**	$	74,000
Mineral properties		**858,000**		858,000
Tax losses		**5,814,000**		3,889,000

With the exception of Canadian tax losses of $938,000 (2022 – $170,000) expiring in 2043 (2022 – 2042), the remaining losses of $4,876,000 (2022 – $3,719,000) in New Zealand and Australia are without expiry.

10. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company's key management personnel include all directors and officers of the Company and the companies controlled by these individuals.

During the year ended December 31, 2023, the Company paid salaries and consulting fees of $192,404 (2022 – $205,635) to officers of the Company.

As at December 31, 2023, there was $2,375 (2022 – $945) payable to officers of the Company included in accounts payable. The amounts are unsecured, non-interest bearing and have no terms of repayment.

During the year ended December 31, 2022, certain directors and officers took part in the financings described in Note 8b.

11. Financial instruments and risk management

Financial instruments

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

- Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).
- Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

As at December 31, 2023 and 2022, the Company does not have any financial instruments carried at FVTPL. The carrying values of the Company's financial assets and liabilities carried at amortized cost, including cash, accounts payable and accrued liabilities, and promissory note payable, approximate fair value due to their short terms to maturity.

Risk management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

(i) Credit risk

Credit risk is the risk that may arise on outstanding financial instruments should a counter party default on its obligation. The Company's primary exposure to credit risk is in its cash accounts. The Company's cash balance is held with large, credit worthy financial institutions and as such, the risk of loss is considered to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meetings its financial obligations as they fall due. The Company's financial liabilities consist of its accounts payable and accrued liabilities and the promissory note payable. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its budget, forecasts and expenditures accordingly. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at December 31, 2023 the Company had a cash balance of $207,733 (2022 – $1,140,629) to cover its accounts payable and accrued liabilities of $490,342 (2022 – $162,222) and loans of $805,000 (2022 – $nil). In order to maintain its current level of operations the Company may need to secure additional financing (Note 1).

(iii) Market price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations, amongst other things, in the market price of commodities, global financial markets and investor sentiment. The Company closely monitors commodity prices and financial markets to determine the appropriate course of action to be taken by the Company.

(iv) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows on an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange relates primarily to those of the Company's net assets denominated in NZD. A 10% change in the value of CAD relative to NZD would not have a significant impact on these consolidated financial statements.

12. Capital management

In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral projects for the benefits of stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying asset. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint arrangements, or dispose of assets. The Company is not subject to any externally imposed capital requirements.

13. Segmented operations

The Company business consists of only one operating segment, being the exploration and evaluation of mineral properties in New Zealand.

The Company's geographic information for the years ended December 31, 2023 include total assets of $186,653 (2022 – $963,403) in Canada and $329,481 (2022 – $406,247) in New Zealand, and total losses of $376,586 (2022 – $90,474) in Canada and $1,588,228 (2022 – $2,315,525) in New Zealand.