WESCAN GOLDFIELDS INC.

Management's Discussion and Analysis
December 31, 2022

April 28, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

The following discussion and analysis is prepared by Management as of April 28, 2023 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 ("financial statements for the year ended December 31, 2022") available on SEDAR at www.sedar.com. Wescan Goldfields Inc. ("Wescan" or "the Company") prepared its financial statements for the year ended December 31, 2022 in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts are quoted in Canadian Dollars, unless otherwise stated.

Overview

Wescan is a growth oriented mineral exploration company based in Saskatchewan. Wescan is focused on the exploration of its current portfolio of gold properties and the acquisition of new exploration targets. The Company has previously focused exploration efforts on its northern Saskatchewan properties with known gold mineralization located in the La Ronge Gold Belt. No exploration programs were carried out during the year ended December 31, 2022. The Company will also continue to evaluate the potential for the acquisition of other mineral properties that fit the Company's strategic direction.

Projects

Jojay Gold Project

Background

The Company holds a 100% interest in the Jojay gold property, consisting of five claim blocks covering 1,496 hectares located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 25% interest in the property was acquired from Star Diamond Corporation (formerly Shore Gold Inc.) in 2004 in exchange for shares of the Company. The remaining 75% was acquired from SSR Mining Inc. (formerly Claude Resources Inc.) in 2006 in exchange for shares. The Company has an Indicated Mineral Resource and Inferred Mineral Resource, as defined under National Instrument ("NI") 43-101, on the Jojay gold deposit which was completed on February 4, 2010. The NI 43-101 compliant Mineral Resource Estimate completed by ACA Howe International Limited ("ACA Howe") includes 21 Wescan diamond drill holes completed in 2005 and 2007-2008 and 79 historic drill holes. At a block cut-off grade of 2.0 grams per tonne Au, non-diluted Indicated Mineral Resources, located entirely in the Red Zone, amount to 420,000 tonnes with an average grade of 3.7 grams per tonne Au, for 50,000 ounces gold. Non-diluted Inferred Mineral Resources, approximately half of which were located in the Red Zone, amount to 630,000 tonnes with an average grade of 4.3 grams per tonne Au, for 87,000 ounces gold. No Measured Mineral Resources or Mineral Reserves of any category were identified. Mineral resources are not mineral reserves and by NI 43-101 definition do not demonstrate economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into a Mineral Reserve.

Based on recommendations from a review of historical drilling data that was completed in February 2011 and the recommendations contained in the Technical Report that accompanied the NI 43-101 compliant Resource Estimate, Wescan commenced a 2,678.5

metre drill program (10 holes) in June 2011. The program successfully identified significant mineralized zones outside the existing drill-defined area of mineralization and successfully confirmed, as well as infilled, historical drilling results.

Current year and future activities
No exploration activity occurred on the Jojay property during the year ended December 31, 2022. Management is currently assessing options for future work on this property.

Munro Lake Gold Project

Background
The Company holds a 100% interest in the Munro Lake gold property. The Munro Lake property consists of mineral dispositions covering 2,489 hectares located approximately 128 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 51% interest in the property was acquired from Star Diamond Corporation in 2004 in exchange for shares of the Company and has increased to 100% based on non-participation of the former joint venture partner in past exploration programs. Munro Lake is located approximately seven kilometers from a producing gold mine and is on trend with other known gold mineralized zones in the area. Limited historical exploration work has been performed on Munro Lake.

During 2011 the Company conducted a magnetic and electromagnetic airborne geophysical survey on the Munro Lake property. The intent of the airborne geophysical survey was to assist in the interpretation of historic soil sampling and prospecting programs that had identified anomalous gold targets throughout the property. During 2013, the Company announced the results of a winter drill program on the Munro Lake property which consisted of 1,052.34 metres of diamond drilling over 4 holes. Drilling results included an interval of 67.1 g/t Au over 1.00 metres in a vein with associated visible gold as well as 7.1 g/t Au over 1.00 metres.

Current year and future activities
No exploration activity occurred on the Munro property during the year ended December 31, 2022. Management is currently assessing options for future work on this property.

Jasper Gold Project

Background
The Company holds a 100% interest in the Fork Lake/Jasper/Tamar ("Jasper") gold property, consisting of certain mineral dispositions covering 6,513 hectares located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The property contains the high grade Jasper Gold Mine which mined and milled 140,127 tonnes at an average grade of 18.9 grams per tonne in the early 1990s. The Company's initial interest in the property was acquired from Star Diamond Corporation in 2004 in exchange for shares of the Company. The Company performed drilling in 2005, 2006, and 2007 of certain deeper zones and during 2011 the Company completed a 2,313.5 metre drill program (9 holes) to further assess the future potential of this past producing gold mine. During 2013 the Company performed a drill program to further evaluate the Jasper property. This program was carried out following examination of Wescan's 2005, 2006 & 2011 diamond drill

programs on the Jasper property and recommendations of the Technical Report for the Jasper Gold Project, completed by A.C.A. Howe International dated November 30, 2005.

The Company intends to continue exploration efforts on the Jasper Gold deposit before an NI 43-101 Resource Estimate is completed to maximize any potential mineral resources.

Current year and future activities

No exploration activity occurred on the Jasper property during the year ended December 31, 2022. Management is currently assessing options for future work on this property.

Financial Highlights

Selected Annual Information

Selected financial information of the Company by year is summarized as follows:

	2022 $	2021 $	2020 $
Interest and other income	188	0	11
Net loss	134,055	132,901	58,556
Net loss per share	0.00	0.00	0.00
Total assets	221,228	6,421	63,651
Total non-current liabilities (1)	75,520	75,520	75,520
Working capital (deficit)	194,670	(17,465)	44,333

(1) Non-current liabilities are comprised of an environmental rehabilitation provision.

Year Ended December 31, 2022

Results of Operations

For the year ended December 31, 2022 the Company recorded a net loss of $134,055 ($0.00 per share) compared to a net loss of $132,901 ($0.00 per share) for 2021. The net losses during 2022 and 2021 were due to ongoing operating costs incurred by the Company.

Expenses

Total expenses for the year ended December 31, 2022 were $134,243 compared to $132,901 for 2021.

Administration expenses incurred during 2022 decreased to $73,599, compared to $132,901 in 2021 (decrease of $59,302). Costs in the administration category also includes depreciation, interest and other office related expenses. During 2022, the Company incurred exploration and evaluation expenditures of $25,854 (2021 - $0). Corporate development costs increased to $34,790 in 2022 compared to $0 for the same period in 2021.

Financing

During the first quarter of 2022, the Company completed a private placement whereby 5,000,000 Units were issued for gross proceeds of $350,000 (see Wescan News Release dated March 8, 2022). Each Unit was comprised of one common share and one warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $0.10, for a period of twelve months from closing of the private placement.

Summary of Quarterly Results

	2022				2021			
	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $	Qtr 4 $	Qtr 3 $	Qtr 2 $	Qtr 1 $
Net loss (1)	**26,871**	40,617	45,696	20,870	14,471	10,237	91,185	17,008
Net loss/share (2)	**0.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shares outstanding	**50,084,320**	50,084,320	50,084,320	50,084,320	45,084,320	45,084,320	45,084,320	45,084,320

(1) Basic and diluted.

Fourth Quarter Results

For the quarter ended December 31, 2022, the Company recorded a net loss of $26,871 compared to net loss of $14,471 ($0.00 per share) during the same period in 2021.

Related Party Transactions

During 2022 and 2021, Mr. Kenneth E. MacNeill (Chief Executive Officer) through his consulting company, waived his management fees.

Total compensation paid to key management personnel, including amounts paid or payable to related parties owned by key management personnel, executive officers and directors, was $34,790 (2021-$62,160 related to amended options).

Liquidity

As at December 31, 2022, the Company had a working capital of $194,670 compared to a working capital deficit of $17,465 at December 31, 2021. As at December 31, 2022, the Company is committed to current liabilities of $25,306.

The Company currently has no ongoing source of revenue and, as such, is dependent upon the issuance of new equity to finance its ongoing obligations and to advance its exploration properties, such as the $350,000 equity financing completed by the Company during the first quarter of 2022. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable to the Company. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. As such, there is a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

Capital Resources and Outstanding Share Data

As at December 31, 2022 the Company had 50,084,320 shares outstanding and 3,120,000 options with a weighted average exercise price of $0.06. As at April 28, 2023, the Company's outstanding options remain unchanged from December 31, 2022. The Company's issued and outstanding shares increased by 5,000,000 to 50,084,320, due to the 2022 financing. As part of this financing, the Company also issued 5,000,000 warrants which entitles the holder thereof to purchase one common share at a price of $0.10, for a period of twelve months from closing.

Financial Instruments

As at December 31, 2022, the fair value of all of the Company's financial instruments approximates their carrying value. Certain financial instruments are exposed to the following financial risks:

Credit risk

Credit risk is the risk of an unexpected loss by the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that may have credit risk consist primarily of cash and receivables. The Company's cash is held by financial institutions with an A (low) credit rating. The Company may invest excess cash, if any, in guaranteed investment certificates until it is required. The Company's receivables are mainly comprised of GST receivable and therefore credit risk is minimal. The Company has gross credit exposure at December 31, 2022 relating to cash and cash equivalents and receivables of $219,144 (2021 - $3,488).

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's approach is to forecast future cash flows to ensure that it will have sufficient liquidity to meet its obligations when due.

As at December 31, 2022, the Company is committed to current liabilities of $25,306 (2021-$22,321) with a working capital of $194,670 (2021 working capital deficit of $17,465). The Company has assessed that the existing working capital at December 31, 2022 is sufficient to fund the minimum expenditures the Company must incur to sustain its operations through 2023.

The further exploration, evaluation and/or development of exploration and evaluation properties in which the Company holds interests or which the Company acquires may depend upon the Company's ability to obtain financing through equity issues or other forms of financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration plans, forfeit rights in its properties or reduce or terminate its operations.

Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, commodity price risk, interest rate risk and equity risk.

Foreign currency risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation since it is currently not producing.

Commodity price risk:
Commodity price risk is the risk that a variation in commodity price will affect the Company's operations and financial results. The Company does not have significant exposure to commodity price fluctuations since it is currently not producing.

Interest rate risk:
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Equity risk:
The Company does not have any equity investments and is not exposed to equity risk.

Critical Accounting Estimates and Judgments

The financial statements for the year ended December 31, 2022 have been prepared in accordance with IFRS. The Company's accounting policies are described in Note 4 to the financial statements for the year ended December 31, 2022. Certain of these policies involve critical accounting estimates as they require management to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. The uncertainties related to these areas could significantly impact the Company's results of operations, financial condition and cash flows.

In preparing the financial statements for the year ended December 31, 2022, significant judgments and estimations have been made by management in applying the Company's accounting policies. In particular, the significant areas of judgment and estimation uncertainty considered by management in preparing the consolidated financial statements are: exploration and evaluation expenditures, impairment and reversal of impairment on exploration and evaluation assets, including related reserve and resource estimates, estimations for environmental rehabilitation provisions and share-based payment transactions. These are discussed in more detail in Note 5 of the Company's financial statements for the year ended December 31, 2022.

A critical accounting estimate in determining the Company's financial results relates to the recoverability of the carried amounts of exploration and evaluation assets. Management monitors these assets for indications of impairment and impairment reversal at each reporting date. Where impairment indicators exist, management will estimate the recoverable amount of these assets in comparison to the carrying values.

Accounting Changes

New IFRS standards, amendments and interpretations effective during the period
At the date of authorization of these consolidated financial statements, the IASB has not issued any new standards which became effective for the reporting period that would have a material impact on the Company.

Future Accounting Changes
At the date of authorization of the consolidated financial statements, the IASB has issued the following new Standards which are not yet effective for the relevant reporting periods.

IAS 1 – Disclosure of Accounting Policies
The IASB has issued amendments to IAS 1 Presentation of Financial Statements which require entities to disclose their "material" accounting policy information rather than their "significant" accounting policies. The amendments explain that accounting policy information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements make based on those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of these amendments has not yet been determined.

IAS 8 Definition of Accounting Estimates
The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. Under the amendments, accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction, and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of these amendments has not yet been determined.

IAS 1 Classification of Liabilities as Current or Non-Current
The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:
• clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";
• clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
• make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Outlook

The Company has focused exploration efforts on its northern Saskatchewan properties with known gold mineralization located in the La Ronge Gold Belt. The Company is assessing future options for the Company's Jojay, Munro Lake and Jasper gold properties. The Company will also continue to evaluate the potential for the acquisition of other mineral properties that fit the Company’s strategic direction.

Risks and Uncertainties

The Company attempts to mitigate risks by identifying, assessing, reporting and managing risks of significance. The following are risks relating to the business of the Company. This information is only a summary of risks currently facing the Company based on its stage of development. Additional risks and uncertainties not presently known may also impact the Company's operations. Management’s view on risks facing the Company will evolve as the Company’s stage of development progresses.

The principal risks faced by the Company during the exploration stage involve: Wescan's ability to obtain financing to further the exploration and development of exploration and evaluation properties in which Wescan holds interests; obtaining the required permits from various federal, provincial and local governmental authorities; and the ultimate economic feasibility of any future development projects.

The further development and exploration of exploration and evaluation properties in which Wescan holds interests or which Wescan acquires may depend upon Wescan's ability to obtain financing through equity financing, debt financing or other means. The Company does not have sufficient funds to put any of its property interests into production from its own financial resources. There is no assurance that Wescan will be successful in obtaining required financing as and when needed. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in its properties or reduce or terminate its operations. Reduced liquidity or difficulty in obtaining future financing could have an adverse impact on Wescan's future cash flows, earnings, results of operations and financial condition. The relative prices of applicable commodities and future expectations for such prices have a significant impact on the market sentiment for investment in mining and exploration companies.

The future operations of the Company, including exploration activities and potential development of its properties, require permits from various federal, provincial and local governmental authorities. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. To the best of the Company’s knowledge, it is operating in compliance with all applicable rules and regulations. The Company utilizes qualified individuals, service providers and external consultants and maintains communications with governmental authorities to ensure that the Company is in compliance with all applicable rules and regulations.

All of Wescan's exploration and evaluation property interests are currently in the exploration stage and are without a known body of commercial ore. The exploration, development and production of precious metals are capital-intensive, subject to the normal risks and capital expenditure requirements associated with mining operations. While the rewards can be substantial if commercial quantities of precious metals are found, there can be no assurance that Wescan's past or future exploration efforts will be successful, that any production therefrom will be obtained or continued, or that any such production which is attempted will be profitable. To ensure that exploration procedures are being performed effectively and those results are interpreted and reported in a proper manner, management ensures that qualified individuals, service providers and external consultants are utilized in the verification and quality assurance of analytical results.

Technical Information

All technical information in this report has been prepared under the supervision of Mark Shimell, P.Geo, Vice President of Exploration, Professional Geoscientist in the Province of Saskatchewan, Alberta, and is the Company's "Qualified Person" under the definition of National Instrument 43-101.

Caution Regarding Forward-looking Information

This MD&A contains forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of Canadian Securities legislation and the United States Private Securities Litigation Reform Act of 1995. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements, and, in particular, statements regarding Wescan's future operations, future exploration and development activities or other development plans contain forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, the ability to raise funds to meet commitments and pursue exploration activities, the use of such funds, future plans for the Jojay, Jasper and Munro Lake properties and the acquisition and exploration of additional properties.

These forward-looking statements are based on Wescan's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, developments in world gold markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Wescan, the effects of competition in the markets in which Wescan operates, impact to the markets in which Wescan operates and to the Company's activities due to the continued spread of COVID-19, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings and operational risks and the additional risks described in Wescan's most recently filed annual and interim MD&A, news releases and technical reports. Wescan's anticipation of and success in managing the foregoing risks could cause actual results to differ materially from what is anticipated in such forward-looking statements.

Although management considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect. When making decisions with respect to Wescan, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Unless required by applicable securities law, Wescan does not undertake to update any forward-looking statement that may be made.

Further information relating to the Company has been filed on SEDAR and may be viewed at www.sedar.com.

WESCAN GOLDFIELDS INC.

Consolidated Financial Statements
December 31, 2022

Management's Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements of Wescan Goldfields Inc. are the responsibility of management and have been approved by the Board of Directors.

Management has prepared the consolidated financial statements in conformity with International Financial Reporting Standards. The consolidated financial statements include some amounts that are based on best estimates and judgments.

The management of the Company, in furtherance of the integrity and objectivity of data in the consolidated financial statements, has developed and maintains a system of internal accounting controls. Management believes the internal accounting controls provide reasonable assurance that financial records are reliable and form a proper basis for preparation of consolidated financial statements and that assets are properly accounted for and safeguarded.

The Board of Directors carries out its responsibility for the consolidated financial statements through its audit committee, consisting entirely of outside directors. The audit committee reviewed the Company's annual consolidated financial statements and recommended their approval to the Board of Directors. The shareholders' auditors have full access to the audit committee, with and without management being present.

The shareholders' auditors, KPMG LLP, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards, have examined these consolidated financial statements and their independent auditor's report of the consolidated financial statements is attached.

"Kenneth E. MacNeill"
Kenneth E. MacNeill
Chairman and Chief Executive Officer
Saskatoon, Canada
April 28, 2023

"W. Connor MacNeill"
W. Connor MacNeill
Chief Financial Officer
Saskatoon, Canada
April 28, 2023

KPMG LLP
500, 475 - 2nd Avenue South
Saskatoon SK
S7K 1P4
Tel 306-934-6200
Fax 306-934-6233
www.kpmg.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wescan Goldfields Inc.

Opinion

We have audited the consolidated financial statements of Wescan Goldfields Inc. (the Entity) which comprise:

- the consolidated statements of financial position as at December 31, 2022 and December 31, 2021
- the consolidated statements of loss and comprehensive loss for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

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

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 Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 3 in the financial statements, which indicates that the Entity will require additional funding to finance its exploration and operating activities.

As stated in Note 3 in the financial statements, these events or conditions, along with other matters as set forth in Note 3 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity'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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Except for the matter described in the ***"Material Uncertainty related to Going Concern"*** section of the auditor's report, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at 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 the auditor's report.

We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity’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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the 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 auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor’s report is Scott D. Verity.

Saskatoon, Canada

April 28, 2023

Wescan Goldfields Inc.
Consolidated Statements of Financial Position
As at December 31

	(In Canadian dollars)	
	2022	2021
Assets		
Current assets:		
Cash	$ 218,744	$ 3,364
Receivables	400	124
Prepaids	832	1,368
	219,976	4,856
Property and equipment (note 7)	1,252	1,565
	$ 221,228	$ 6,421
Liabilities and Shareholders' Equity		
Current liabilities:		
Payables and accrued liabilities	$ 25,306	$ 22,321
	25,306	22,321
Environmental rehabilitation provision (note 10)	75,520	75,520
Shareholders' equity (deficiency):		
Share capital (note 12)	20,810,540	20,687,794
Warrants (note 12)	223,131	-
Contributed surplus (note 12)	2,594,165	2,594,165
Deficit	(23,507,434)	(23,373,379)
	120,402	(91,420)
	$ 221,228	$ 6,421

Going concern (note 3)

On behalf of the Board:

"Kenneth E. MacNeill"
Kenneth E. MacNeill
Chairman and Chief Executive Officer

"Gary L. Billingsley"
Gary L. Billingsley
Chairman of the Audit Committee

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31

	(In Canadian dollars)	
	2022	2021
Income		
Interest and other	$ 188	$ -
Expenses		
Exploration and evaluation (note 9)	25,854	-
Administration	73,599	132,901
Corporate development	34,790	-
	134,243	132,901
Net loss and comprehensive loss	$ (134,055)	$ (132,901)
Net loss and comprehensive loss per share		
Basic and diluted (note 13)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	49,273,627	45,084,320

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.
Consolidated Statements of Cash Flows
For the years ended December 31

(In Canadian dollars)

	2022	2021
Cash provided by (used in):		
Operations:		
Net loss	$ (134,055)	$ (132,901)
Non-cash items:		
Amortization	313	393
Share-based payments	-	70,710
Net change in non-cash operating working capital items:		
Receivables	(276)	229
Prepaids	536	(1,368)
Payables and accrued liabilities	2,985	4,961
	(130,497)	(57,976)
Financing:		
Issuance of equity (net of issue costs)	345,877	-
	345,877	-
Increase (decrease) in cash position	215,380	(57,976)
Cash, beginning of year	3,364	61,340
Cash, end of year	$ 218,744	$ 3,364

See accompanying notes to consolidated financial statements

Wescan Goldfields Inc.

Consolidated Statements of Changes in Equity

For the years ended December 31

	(In Canadian dollars)	
	2022	2021
Share capital (note 12)		
Balance, beginning of year	$ 20,687,794	$ 20,687,794
Shares issued (net of costs and warrants)	122,746	-
Balance, end of year	$ 20,810,540	$ 20,687,794
Warrants (note 12)		
Balance, beginning of year	$ -	$ -
Issued	223,131	-
Balance, end of year	$ 223,131	$ -
Contributed surplus (note 12)		
Balance, beginning of year	$ 2,594,165	$ 2,523,455
Share-based payments (note14)	-	70,710
Balance, end of year	$ 2,594,165	$ 2,594,165
Deficit		
Balance, beginning of year	$ (23,373,379)	$ (23,240,478)
Net loss	(134,055)	(132,901)
Balance, end of year	$ (23,507,434)	$ (23,373,379)
Total Shareholders' Equity (Deficiency)	$ 120,402	$ (91,420)

See accompanying notes to consolidated financial statements

1. Corporate Information

Wescan Goldfields Inc. was originally incorporated as Shore Resources Inc. under the *Business Corporations Act of Alberta* on January 17, 2003 and by amended articles dated April 2, 2004 changed its name to Wescan Goldfields Inc. ("Wescan" or the "Company"). Substantially all of the Company's efforts are directed to the exploration and future development of its current exploration properties. Wescan is located at 602 – 224 4th Avenue South, Saskatoon, Saskatchewan, Canada, S7K 5M5.

2. Basis of preparation

The consolidated financial statements of the Company for the year ended December 31, 2022 were authorized for issue by the Company's Board on April 28, 2023. The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The Company's financial statements have been prepared on a historical cost basis, except as otherwise disclosed, using the Company's functional currency of Canadian dollars.

3. Going Concern

These financial statements are prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities and commitments in the normal course of business. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that cast significant doubt upon the Company's ability to continue as a going concern. As at December 31, 2022, the Company had a working capital of $194,670. The company is committed to expenditures in 2023 on certain mineral properties to keep claims in good standing. While the Company believes working capital (current assets less current liabilities) will be sufficient to finance operating activities through its 2023 fiscal year, the ability of the Company to continue as a going concern and fund exploration and general and administrative expenses in an orderly manner will require further equity issues or other forms of financings. There is no assurance that the Company will be successful in obtaining required financing on terms acceptable to the Company as and when needed or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration and/or evaluation plans, forfeit rights in its properties or reduce or terminate its operations.

These financial statements do not include any adjustments to carrying values and classification of asset amounts and liabilities, reported expenses and the statement of financial position classifications used, that would be necessary if the going concern assumption were not appropriate.

4. Summary of significant accounting policies

The Company's principal accounting policies are outlined below:

a. Basis of Consolidation

Subsidiaries

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary. All intra-company transactions, balances, income and expenses are eliminated in full upon consolidation.

b. Financial instruments

i. *Non-derivative financial assets*

IFRS 9 Financial Instruments includes three classifications for financial assets: measurement at fair value through profit or loss, measurement at fair value through comprehensive income and measurement at amortized cost.

Financial assets measured at amortized cost

Financial assets measured at amortized cost are comprised of the Company's cash and cash equivalents and receivables. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost using the effective interest method, less impairment losses.

ii. *Non-derivative financial liabilities*

The Company classifies non-derivative financial liabilities into financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost are comprised of the Company's payables and accrued liabilities.

iii. *Impairment*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications of significant financial difficulty and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

Under IFRS 9, the Company recognizes a loss allowance using the expected credit loss model on financial assets that are measured at amortized cost. The adoption of the expected credit loss impairment model under IFRS 9 had no impact on the carrying amounts of financial assets on the transition date or at year end.

c. Cash and cash equivalents

Cash and cash equivalents include cash, and short-term investments that, upon acquisition, have a term to maturity of three months or less.

d. Property and equipment

Property and equipment are tangible assets that are stated at cost less accumulated depreciation and any impairment in value. Such cost includes costs of replacing parts that are eligible for capitalization when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement only if it is eligible for capitalization. All other repairs and maintenance are expensed as incurred.

Depreciation is calculated using the declining balance method except for leasehold improvements, which would be depreciated on a straight-line basis over a term equal to the remaining life of the current lease agreement. Annual depreciation rates are as follows:

Computer equipment	30%
Computer software	100%
Furniture and equipment	20%

The carrying value of items of property and equipment is reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values of an asset exceed its estimated recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the statements of loss and comprehensive loss in the year the item is derecognized.

e. Exploration and evaluation

i. *Pre-permit costs*

Pre-permit costs are expensed in the period in which they are incurred. These costs are intangible.

ii. *Exploration and evaluation costs*

Once the legal right to explore has been established, exploration and evaluation expenditures are expensed as incurred, until the Company concludes that a future economic benefit is more likely than not to be realized through future development and production.

Exploration and evaluation expenditures incurred on permits where a National Instrument ("NI") 43-101 compliant reserve and a final feasibility study have not yet been completed are expensed during this phase and included in "exploration and evaluation" expense in the statements of loss and comprehensive loss.

Upon the establishment of a NI 43-101 compliant reserve and the completion of a final feasibility study (at which point, the Company considers it probable that economic benefits will be realized) and the Company has made a development decision, the Company capitalizes any further costs incurred with respect to expenses incurred for development of the asset.

Once NI 43-101 compliant reserves are established and development is approved by the Company, previously capitalized exploration and evaluation assets that will be transferred to "mine development costs" are tested for impairment on a cash-generating units ("CGU") basis. If the carrying amount exceeds the recoverable amount, the difference is charged to the statements of loss and comprehensive loss. No amortization of exploration and evaluation assets is charged during the exploration and evaluation phase nor while it is under construction.

Exploration and evaluation assets acquired in a business combination or through purchase of an asset are initially recognized at fair value. These costs are intangible. Exploration and evaluation assets are assessed for impairment at each reporting period to determine whether facts and circumstances indicate that the carrying amount may exceed its recoverable amount. In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount. To the extent this occurs, the asset is assessed for impairment and any impairment is fully provided against the carrying amount, in the financial year in which this is determined.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset or CGU is increased to its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. The reversal of an impairment loss is recognized immediately in the statements of loss and comprehensive loss.

f. Employee Benefits

i. Wages and salaries, and annual leave

The liability for employee entitlements to wages and salaries represents the amount which the Company has a present obligation to pay resulting from services provided up to the reporting date. A provision for annual leave is recorded as it is earned and is measured at the amount expected to be paid when it is settled and includes all related costs.

ii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under the short-term cash bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iii. Termination benefits

Termination benefits are recognized as an expense when the Company is committed to provide termination benefits in accordance with certain contracts provided to officers of the Company. If benefits are payable for more than 12 months after the reporting date, then those benefits are discounted to their present value.

iv. Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees, officers or directors is recognized as an expense, with a corresponding increase in equity, over the period that the employee, officer or director unconditionally becomes entitled to the award. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met.

g. <u>Provisions</u>

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount, if material, is recognized in the statements of loss and comprehensive loss.

<u>Environmental rehabilitation</u>

The Company may be required to decommission and rehabilitate exploration sites to a condition acceptable to the relevant authorities.

The expected cost of any decommissioning or rehabilitation program is recognized as a liability when the related environmental disturbance occurs. The offsetting cost is treated as an "exploration and evaluation" expense until a NI 43-101 reserve has been established and a final feasibility report completed (at which point, the Company considers it probable that economic benefits will be realized) and the Company has made a development decision. Once a NI 43-101 reserve has been established and a final feasibility study completed (at which point, the Company considers it probable that economic benefits will be realized) and the Company has made a development decision, the estimated cost (on a discounted basis, if material) of any new environmental disturbances are capitalized. Where there is a change in the expected decommissioning and rehabilitation costs, the value of the provision and any related asset are adjusted and the effect is recognized in the statements of loss and comprehensive loss on a prospective basis over the remaining life of the operation.

h. <u>Income tax</u>

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for a temporary difference between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

i. <u>Flow-through shares</u>

The Company may finance a portion of its exploration and evaluation activities through the issuance of flow-through shares. Upon the sale of flow-through shares, the Company recognizes a liability for the excess purchase price paid by the investors over the fair value of common shares without the flow-through feature (the "premium") and records the fair value of the shares in equity. When the expenditures are incurred, the liability is reversed and recognized in the statement of loss and comprehensive loss.

5. Use of estimates and judgment

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously 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. However, actual outcomes can differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

a. Impairment indicators for exploration and evaluation assets
Management exercises judgment in determining when an indicator of impairment or reversal of impairment exists. In making this determination, Management uses several criteria in its assessment of impairment indicators for exploration and evaluation assets including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation resource assets are budgeted, results of exploration and evaluation activities on the exploration and evaluation assets and whether sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

b. Exploration and evaluation expenditures
The determination of an NI 43-101 reserve is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates which directly impact the point of deferral of exploration and evaluation expenditure. This requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statements of loss and comprehensive loss in the period when the new information becomes available.

Key sources of estimation uncertainty

The areas of estimation uncertainty considered by management that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

a. Reserve and resource estimates
Reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mineral properties. The Company currently only has mineral resources and does not have a basis to determine if any of its resources will be converted to reserves. The estimation of recoverable reserves is based upon factors such as estimations of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the Company's resource estimates may impact upon the carrying value of exploration and evaluation assets, property and equipment, environmental rehabilitation provision, recognition of deferred tax assets, and depreciation and amortization charges.

b. Environmental rehabilitation provision
Environmental rehabilitation provisions have been provided for based on the Company's internal estimates. Assumptions, based on the current economic environment and cash flows, have been made which management believe are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Significant changes in estimates of restoration standards and techniques may result in changes to provisions. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provision may be higher or lower than currently provided for.

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

making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 14.

6. IFRS standards, amendments and interpretations

a. IFRS standards, amendments and interpretations effective during the period

At the date of authorization of these consolidated financial statements, the IASB has not issued any new standards which became effective for the reporting period that would have a material impact on the Company.

b. IFRS standards issued but not yet effective

IAS 1 – Disclosure of Accounting Policies
The IASB has issued amendments to IAS 1 Presentation of Financial Statements which require entities to disclose their "material" accounting policy information rather than their "significant" accounting policies. The amendments explain that accounting policy information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements make based on those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of these amendments has not yet been determined.

IAS 8 Definition of Accounting Estimates
The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. Under the amendments, accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction, and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of these amendments has not yet been determined.

IAS 1 Classification of Liabilities as Current or Non-Current
The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:
• clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";
• clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
• make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

7. Property and equipment

The Company's property and equipment are comprised of the following:

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Cost				
Balance – December 31, 2020	$ 2,234	$ 348	$ 36,925	$ 39,507
Acquisitions and disposals	-	-	-	-
Balance – December 31, 2021	$ 2,234	$ 348	$ 36,925	$ 39,507
Acquisitions and disposals	-	-	-	-
Balance – December 31, 2022	$ 2,234	$ 348	$ 36,925	$ 39,507

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Accumulated depreciation				
Balance – December 31, 2020	$ (2,234)	$ (339)	$ (34,976)	$ (37,549)
Charge for the year	-	(3)	(390)	(393)
Balance – December 31, 2021	$ (2,234)	$ (342)	$ (35,366)	$ (37,942)
Charge for the year	-	(2)	(311)	(313)
Balance – December 31, 2022	$ (2,234)	$ (344)	$ (35,677)	$ (38,255)

	Computer Software	Computer Equipment	Furniture and Equipment	Total
Net book value				
Balance – December 31, 2021	$ -	$ 6	$ 1,559	$ 1,565
Balance – December 31, 2022	$ -	$ 4	$ 1,248	$ 1,252

8. Exploration and evaluation assets

The Company's exploration and evaluation assets arising from acquisitions are comprised of the following:

	Jojay (a)	Munro (b)	Fork Lake/ Jasper/ Tamar (c)	Total
Exploration and evaluation assets	$ 1,365,001	$ 69,561	$ 201,501	$ 1,636,063
Less: previous impairments	(1,365,001)	(69,561)	(201,501)	(1,636,063)
Exploration and evaluation assets – December 31, 2021 and 2022	$ -	$ -	$ -	$ -

The Company has not yet determined whether any of its exploration and evaluation assets contain economically recoverable reserves.

a. Jojay

The Company holds a 100% interest in the Jojay gold property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 25% interest in the property was acquired from Star Diamond Corporation (formerly Shore Gold Inc.) in 2004 in exchange for shares of the Company. The remaining 75% was acquired from SSR Mining Inc. (formerly Claude Resources Inc.) in 2006 in exchange for shares.

b. Munro

The Company holds a 100% interest in the Munro gold property, consisting of certain mineral dispositions located approximately 128 kilometers northeast of La Ronge, Saskatchewan. The Company's initial 51% interest in the property was acquired from Star Diamond Corporation in 2004 in exchange for shares of the Company and increased to 100% based on non-participation of the former joint venture partner in past exploration programs. The Munro gold property is located approximately 7 kilometers from a producing gold mine.

c. **Fork Lake/Jasper/Tamar**
The Company holds a 100% interest in the Fork Lake/Jasper/Tamar gold property, consisting of certain mineral dispositions located approximately 150 kilometers northeast of La Ronge, Saskatchewan. The Company's initial interest in the property was acquired from Star Diamond Corporation in 2004 in exchange for shares of the Company.

9. Exploration and evaluation expenditures

The Company is assessing options for future work on its portfolio of gold properties. During the year ended December 31, 2022, the Company incurred $25,854 exploration and evaluation expenditures (2021 - $nil).

10. Environmental rehabilitation provision

The Company estimates its present obligation of decommissioning and reclamation costs to be $75,520 (2021 - $75,520). The provision has not been discounted as the effect of the time value of money is not material.

11. Deferred tax assets and liabilities

Reconciliation between expected tax recovery for accounting purposes and actual recovery

The provision for income taxes differs from the amount computed by applying the combined expected federal and provincial income tax rate to earnings before income taxes for the following reasons:

	December 31, 2022	December 31, 2021
Net loss before income taxes	$ (134,055)	$ (132,901)
Combined federal and provincial tax rate	27%	27%
Expected tax recovery	(36,195)	(35,883)
Increase in taxes resulting from:		-
Non-deductible Items	251	
Share based compensation	-	19,092
Change in unrecognized deferred tax assets	35,944	16,791
Deferred income tax recovery	$ -	$ -

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2022	December 31, 2021
Unrecognized Deferred tax assets		
Exploration and evaluation	$ 1,565,770	$ 1,558,876
Property and equipment	67,239	85,892
Non-capital loss carried forward	1,933,393	1,885,414
Capital loss carried forward	32,021	32,020
Share issue costs	891	54
Decommissioning and rehabilitation provision	20,390	20,390
Unrecognized deferred tax assets	$ 3,619,704	$ 3,582,646

The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax assets to be recovered.

Tax losses

As at December 31, 2022, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. A summary of these tax losses is provided below. These tax losses will expire as follows:

Year of Expiry	Taxable losses
2026	$ 746,142
2027	1,363,135
2028	1,368,116
2029	850,020
2030	581,344
2031	631,632
2032	577,675
2033	267,458
2034	135,438
2035	115,538
2036	62,069
2037	52,659
2038	56,678
2039	54,539
2040	58,575
2041	61,998
2042	177,698
Total	$ 7,160,714

As at December 31, 2022, the Company has estimated capital losses for Canadian income tax purposes of $237,190 (2021 - $237,190) that may be carried forward to reduce capital gains derived in future years. These capital losses do not have an expiry date. The Company also had unrecorded investment tax credits totaling $311,000 (2021 - $311,000) relating to pre-production mining expenditures. These investment tax credits expire starting in 2026.

12. Share capital and reserves

Authorized

The authorized share capital of the Company consists of an unlimited number of common shares.

Issued and outstanding

	2022		2021	
	Common Shares	Amount	Common Shares	Amount
Balance - beginning of year	45,084,320	$20,687,794	45,084,320	$20,687,794
Common shares issued	5,000,000	122,746	-	-
Balance - end of year	50,084,320	$20,810,540	45,084,320	$20,687,794

(a) Unit Financing

During 2022, the Company issued 5,000,000 Units at a price of $0.07 for total gross proceeds of $350,000. Each Unit was comprised of one common share and one warrant. Each warrant entitles the holder thereof to purchase one common share at a price of $0.10, for a period of twelve months from the closing date of the private placement. Costs associated with the issuance amounted to $4,123 (2021-$nil).

(b) Nature and purpose of reserves

Warrant reserve
On certain issues of common shares, the Company has issued warrants entitling the holder to acquire additional common shares of the Company. The warrant reserve is used to recognize the fair value of outstanding warrants. If the warrant is exercised or expires the fair value is transferred to share capital or contributed surplus, respectively.

A summary of the outstanding warrants is as follows:

	Warrants	Average Price	Amount
Balance - December 31, 2021	-	$ -	$ -
Issued	5,000,000	0.10	223,131
Balance - December 31, 2022	5,000,000	$ 0.10	$ 223,131

During 2022, 5,000,000 warrants were issued in connection to a share financing. Each warrant entitles the holder thereof to purchase one common share at a price of $0.10 for a period of 12 months from the date of issuance. The warrants issued were fair valued at $223,131. The fair value was determined using the Black-Scholes pricing model with the following assumptions: a volatility factor of 137.46% - 140.97%, risk free rate of return of 1.41%-1.45%, expected dividend of 0% and expected term of 1 year.

(c) Contributed Surplus

Contributed surplus is used to recognize the fair value of equity-settled share-based payment transactions. The fair value of these securities is added to contributed surplus over the vesting period of the securities. Upon exercise, the corresponding fair value related to the security is removed from contributed surplus and added to share capital. Should the option go unexercised, the fair value will remain in contributed surplus. The fair value of warrants related to securities that go unexercised is transferred out of the respective reserves into contributed surplus in the year of expiry.

A summary of the contributed surplus activity is as follows:

	2022	2021
Balance - beginning of year	$ 2,594,165	$ 2,523,455
Share-based payment	-	70,710
Balance - end of year	$ 2,594,165	$ 2,594,165

13. Per share amounts

The calculation of loss per share amounts is based on the following:

	December 31, 2022	December 31, 2021
Numerator:		
Net loss applicable to common shares	$ (134,055)	$ (132,901)
Denominator:		
Common shares outstanding at January 1	49,273,627	45,084,320
Weighted average effect of shares issued	-	-
Weighted average common shares outstanding at December 31 – basic and diluted	49,273,627	45,084,320
Basic and diluted loss per common share (a)	$ (0.00)	$ (0.00)

(a) Excluded from the calculation of diluted loss per common share are the effects of outstanding share based payments or warrants, as there is no effect on basic loss per share or it would be anti-dilutive.

14. Share-based payments

The Company has established a share option plan, as approved by the shareholders, whereby each option may be granted to directors, officers, employees and service providers to purchase one common share of the Company. Options granted have an exercise price of not less than the closing price quoted on the TSX Venture exchange for the common shares of the Company on the trading day prior to the date on which the options were granted. Certain options vest immediately while others vest six to twenty-four months after grant date and all options granted under the plan expire five years from the date of the grant of the options. All options are to be settled by physical delivery of shares.

Option movements during the years ended December 31 including weighted average exercise prices are as follows:

	2022		2021	
	Options	Weighted Average Price	Options	Weighted Average Price
Outstanding – January 1	4,190,000	$ 0.06	4,190,000	$ 0.06
Granted	-	-	-	-
Forfeited	(1,070,000)	(0.08)	-	-
Outstanding and Exercisable – December 31	3,120,000	$ 0.06	4,190,000	$ 0.06

At December 31, 2022, total options outstanding were 3,120,000 (2021 – 4,190,000) at a weighted average exercise price of $0.06 (2021 – $0.06). Options outstanding at December 31, 2022 have exercise prices that range from $0.05 to $0.08 (2021 – $0.05 to $0.08) and a weighted average contractual life of 0.4 years (2021 – 1.1 years).

For options outstanding and exercisable at December 31, 2022, the range of exercise prices, weighted average exercise price and the weighted average remaining contractual life is as follows:

	Outstanding and Exercisable		
Option Price Per Share	Options December 31, 2022	Weighted Average Exercise Price	Weighted Average Remaining Life
$0.05	2,100,000	$ 0.05	0.3 years
$0.08	1,020,000	0.08	0.4 years
	3,120,000	$ 0.06	0.4 years

The grant date fair value of stock options issued under the plan is estimated using the Black-Scholes option-pricing model. Expected volatility is estimated by considering historic average share price volatility. The option life is estimated based on the weighted average historical life of options that have been granted by the Company.

During 2022 and 2021 no options were issued or expired. During 2021, the Company extended the expiry date of an aggregate of 2,100,000 stock options (collectively, the “Amended Options”) issued during the month of May 2016 with exercise prices of $0.05 per option share, to the date that is seven years from grant date of the Amended Options. As a result, as at December 31, 2021, the Company’s outstanding options expire between the dates of May 2022 and June 2023. The inputs used in the measurement of the incremental fair values of the Amended Options during the year ended December 31, 2021 are as follows:

Share price at amendment	$ 0.10
Exercise price	$ 0.05
Expected volatility	166.2 – 170.1 %
Option life	2 years
Expected dividends	0 %
Expected forfeiture rate	0 %
Risk-free interest rate	0.3 %
Incremental fair value of Amended Options	$ 0.03

The expense related to the Company’s share-based payments is recognized as administration expense in the statement of loss and comprehensive loss. No amount was recognized for the year ended December 31, 2022 (2021-$70,710).

15. Related party transactions

Related party transactions with key management personnel

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive and non-executive directors. The Company pays certain of its key management personnel through MacNeill Brothers Oil and Gas Ltd, a company owned by certain executive officers and directors.

During the year ended December 31, 2022 total compensation paid to key management personnel, including amounts paid or payable to related parties owned by key management personnel, executive officers and directors, was $34,790 (2021 - $62,160 related to amended options referred to in note 14).

16. Financial instruments

Fair values have been determined for measurement and/or disclosure purposes based on the fair value hierarchy for financial instruments that require fair value measurement after initial recognition. The classification of each financial instrument is described in note 4.

The carrying amounts for cash and cash equivalents, receivables, and payables and accrued liabilities approximate their fair value due to the short-term nature of these instruments. These financial instruments are carried at amortized cost.

Fair value hierarchy

The Company does not have any financial instruments measured at fair value. If the Company acquires a financial instrument that would be required to be measured at fair value it would be categorized into one of three hierarchy levels as described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and
Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Risk management

Certain financial instruments are exposed to the following financial risks:

(a) Credit risk

Credit risk is the risk of an unexpected loss by the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company’s financial instruments that may have credit risk consist primarily of cash and cash equivalents and receivables. The Company’s cash and cash equivalents are held by financial institutions with an A (low) credit rating. The Company may invest excess cash, if any, in guaranteed investment certificates until it is required. The Company’s receivables are mainly comprised of GST receivable and therefore credit risk is minimal. The Company has gross credit exposure at December 31, 2022 relating to cash and cash equivalents and receivables of $219,144 (2021 - $3,488).

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

As at December 31, 2022, the Company is committed to current liabilities of $25,306 (2021 - $22,321) with a working capital of $194,670 (2021 – working capital deficit of $17,465). As at December 31, 2022, the Company has sufficient resources to meet obligations as they become due through 2023. The further exploration, evaluation and/or development of exploration and evaluation properties in which the Company holds interests or which the Company acquires may depend upon the Company's ability to obtain financing through equity issues or other forms of financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration plans, forfeit rights in its properties or reduce or terminate its operations.

(c) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, commodity price risk, interest rate risk and equity risk.

Foreign currency risk:
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuations since it is currently not producing.

Commodity price risk:
Commodity price risk is the risk that a variation in commodity price will affect the Company's operations and financial results. The Company does not have significant exposure to commodity price fluctuations since it is currently not producing.

Interest rate risk:
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Equity risk:
The Company does not have any equity investments and is not exposed to equity risk.

17. Capital management

The Company manages its common shares and equity reserves as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to explore its exploration and evaluation properties, so that it can provide returns to shareholders.

In order to facilitate the management of its capital requirements, the Company monitors capital and operating cash flows which are updated as considered necessary.