SILVER PREDATOR CORP.

(An Exploration Stage Enterprise)

Consolidated Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

Independent auditor's report

To the Shareholders of Silver Predator Corp.

Our opinion

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

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of income and comprehensive income for the years then ended;
- the consolidated statements of cash flows for the years then ended
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of mineral properties *Refer to note 3 – Summary of material accounting policies and note 7 – Mineral properties to the consolidated financial statements.* The carrying value of the Company's mineral properties amounted to $1.4 million as at December 31, 2023. At each reporting period, management assesses whether there is an indication that mineral properties may be impaired. When impairment indicators exist, management estimates the recoverable amount of the mineral properties and compares it to their carrying amount. Management considers various factors to determine when a mineral property has impairment indicators and is required to be tested for impairment. That determination requires significant judgment. The factors considered by management include: (i) the period during which the Company has the right to explore in the area has expired during the year or will expire in the near future; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned; (iii) a decision to discontinue exploration and evaluation in an area; and (iv) sufficient data exists to indicate that the carrying value of mineral properties will not be fully recovered from future development and production. No impairment indicators were identified by management as at December 31, 2023.	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's assessment of indicators of impairment related to mineral properties, which included the following: - Obtained for a sample of claims, by reference to government registries, evidence to support the right to explore the area; - Read the board of director minutes and obtained budget approvals to evidence continued and planned substantive exploration and evaluation expenditures in a specific area; and - Assessed whether a decision to discontinue exploration and evaluation in an area was taken and whether sufficient data exists to indicate that the carrying value of mineral properties will not be fully recovered from future development and production based on evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significance of the mineral properties balance and the significant judgment made by management in its assessment of indicators of impairment related to the mineral properties, which resulted in a high degree of subjectivity in performing procedures.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 22, 2024

	December 31, 2023	December 31, 2022
ASSETS		
Current		
Cash	$ 974,000	$ 152,901
Investments (Note 4)	—	25,000
Receivables, prepaid expenses, and deposits	23,500	12,327
Promissory note receivable (Note 6)	481,328	—
Asset held for sale (Note 5)	—	2,169,091
	1,478,828	2,359,319
Investments (Note 4)	360,405	—
Reclamation bonds	86,617	18,586
Promissory note receivable (Note 6)	597,581	—
Mineral properties (Note 7)	1,401,696	1,402,899
	$ 3,925,127	$ 3,780,804
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liability	41,322	17,360
Shareholders' equity (Note 9)		
Share capital	33,144,430	33,144,430
Reserves	2,988,701	2,988,701
Accumulated other comprehensive income	3,058,441	3,146,725
Deficit	(35,307,767)	(35,516,412)
	3,883,805	3,763,444
	$ 3,925,127	$ 3,780,804

Nature of operations (Note 1)

The consolidated financial statements were approved by the Board of Directors on March 22, 2024 and signed on their behalf by:

"Scott D. McLeod"

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

	Years Ended	
	December 31, 2023	December 31, 2022
Expenses		
Professional and consulting fees	$ 200,402	$ 248,272
General and administrative	36,325	38,958
Stock-based compensation (Note 9)	—	26,631
Net loss from operating activities	(236,727)	(313,861)
Other income (expense)		
Gain on sale of asset (Note 5)	285,272	—
Reversal of mineral property impairment (Note 5, 7)	—	1,980,607
Foreign exchange loss	(2,337)	(16,210)
Interest income and other (expense), net	162,534	(14,063)
Total other income	445,469	1,950,334
Net income before income tax	$ 208,742	$ 1,636,473
Income tax (Note 9)	(97)	—
Net income	$ 208,645	$ 1,636,473
Other comprehensive income (loss)		
Gain on investment at fair value through other comprehensive income ("FVOCI"), net of income tax	5,000	25,000
Item that may be reclassified subsequently to net income (loss):		
Foreign currency translation adjustment	(93,284)	193,403
Other comprehensive income (loss)	$ (88,284)	$ 218,403
Total comprehensive income	$ 120,361	$ 1,854,876
Basic and diluted income per common share	$ 0.01	$ 0.05
Weighted average number of common shares outstanding (Note 9)	35,390,745	33,185,987

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

	Years Ended	
	December 31, 2023	December 31, 2022
OPERATING ACTIVITIES		
Net income	$ 208,645	$ 1,636,473
Items not affecting cash:		
Stock-based compensation (Note 9)	—	26,631
Interest (income) expense	(172,533)	14,024
Reversal of impairment of mineral property (Note 5, 7)	—	(1,980,607)
Gain on sale of asset (Note 5)	(285,272)	—
Foreign exchange (gain) loss	5,726	26,534
Changes in non-cash working capital items:		
(Increase) decrease in receivables, prepaid expenses, and deposits	(5,798)	41,417
Increase (decrease) in amounts due to related parties	1,168	1,532
Increase (decrease) in accounts payable and accrued liability	22,794	(21,651)
	(225,270)	(255,647)
INVESTING ACTIVITIES		
Proceeds from sale of asset (Note 5)	1,149,625	32,533
Reclamation bond release (purchase), net	(69,763)	5,303
Exploration and evaluation costs capitalized (Note 7)	(32,386)	(67,201)
	1,047,476	(29,365)
FINANCING ACTIVITIES		
Proceeds from private placement (Note 9)	—	641,398
Repayment of loan payable to related party (Note 8)	—	(350,155)
	—	291,243
Effect of exchange rate change on cash and cash equivalents	(1,107)	(5,080)
Change in cash	821,099	1,151
Cash, beginning of year	152,901	151,750
Cash, end of year	$ 974,000	$ 152,901

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

Silver Predator Corp.
Consolidated Statements of Changes in Equity

	Share capital					
	Number	Amount	Reserves	Accumulated other comprehensive income	Deficit	Total
Balance, January 1, 2022	**29,559,854**	**$32,657,676**	**$ 2,807,426**	**$ 2,928,322**	**$(37,152,885)**	**$ 1,240,539**
Private placement	5,830,891	486,754	154,644	—	—	641,398
Stock-based compensation	—	—	26,631	—	—	26,631
Foreign currency translation adjustment	—	—	—	193,403	—	193,403
Gain on investment at FVOCI, net of tax	—	—	—	25,000	—	25,000
Net income for the year	—	—	—	—	1,636,473	1,636,473
Balance, December 31, 2022	**35,390,745**	**$33,144,430**	**$ 2,988,701**	**$ 3,146,725**	**$(35,516,412)**	**$ 3,763,444**
Foreign currency translation adjustment	—	—	—	(93,284)	—	(93,284)
Gain on investment at FVOCI, net of tax	—	—	—	5,000	—	5,000
Net income for the year	—	—	—	—	208,645	208,645
Balance, December 31, 2023	**35,390,745**	**$33,144,430**	**$ 2,988,701**	**$ 3,058,441**	**$(35,307,767)**	**$ 3,883,805**

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

1. NATURE OF OPERATIONS

Silver Predator Corp. ("SPD") was incorporated under the laws of the Province of British Columbia on May 16, 2006. SPD owns the Copper King copper-silver project ("Copper King") in the Coeur d'Alene Silver District of northern Idaho, U.S., and other early stage exploration properties in the U.S. As of December 31, 2023, SPD is 51.82% owned by Till Capital Corporation ("Till Capital"). SPD's head office is located at 666 Burrard St. Suite 1700, Vancouver, British Columbia V6C 2X8, Canada.

2. BASIS OF PRESENTATION AND MEASUREMENT

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

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, stock-based awards, and assets held for sale which have been measured at fair value. SPD's presentation currency is Canadian dollars. Reference herein to $ is to Canadian dollars. Reference herein to US$ is to United States dollars.

These consolidated financial statements were approved by the Board of Directors for issuance on March 22, 2024.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies used in these consolidated financial statements are as follows:

Basis of consolidation

These consolidated financial statements include the accounts of SPD and its subsidiary.

A subsidiary is an entity that SPD controls, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Control over an investee exists when SPD has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. That control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated.

Where necessary, adjustments are made to the results of the subsidiary to bring its accounting policies in line with those used by SPD.

SPD's significant subsidiary is as follows:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Silver Predator US Holding Corp. ("SPUS")	Nevada, USA	100%	U.S. Holding Company

Translation of foreign currencies

The functional currency of the parent company is the Canadian dollar. The functional currency of SPD's United States subsidiary is the United States dollar. SPD's presentation currency is the Canadian dollar.

Transactions denominated in currencies other than the functional currency are recorded using the exchange rates prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit and loss in the period in which they arise.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of SPD's foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period that approximate the rates on the dates of transactions, and where exchange differences arise, they are recognized as a separate component of equity.

Cash

Cash comprises cash and short term treasury bills with maturities of less than three months held at financial institutions.

Financial assets and investments

SPD classifies financial assets and investments in the following categories:

- at fair value through profit and loss (“FVPL”),
- at fair value through other comprehensive income (“FVOCI”), or
- at amortized cost.

SPD determines the classification of financial assets and investments at initial recognition. The classification of debt instruments is driven by SPD's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVPL, for other equity instruments, on the day of acquisition SPD can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI.

SPD's accounting policy for each of the categories is as follows:

Financial assets at FVPL

Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVPL are included in the consolidated statement of income (loss) in the period in which they arise.

Financial assets at FVOCI

Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

SPD recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, SPD 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. If at the reporting date, the financial asset has not increased significantly since initial recognition, SPD measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Reclamation bonds

Reclamation bonds include bonds that have been pledged for reclamation and closure activities and that are not available for immediate disbursement.

Mineral properties

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated, the capitalized costs of the related property are transferred to mining assets and depreciated using the units-of-production method on commencement of production.

Management reviews the exploration and evaluation assets for impairment at each reporting period or when events or changes in circumstances indicate that the carrying amount may not be recoverable. If the facts and circumstances suggest the carrying value exceeds the recoverable amount (where the recoverable amount of a cash-generating unit

("CGU") is the greater of the CGU's fair value less costs to sell and its value in use), the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss. Once an exploration and evaluation asset has been determined to be technically feasible and commercially viable and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction-in-progress within property, plant and equipment.

From time to time, SPD acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. Proceeds received from the sale or option of an interest in a property will be credited against the carrying value of the property. Option payments received in excess of the carrying value of a property are recorded as an exploration expense recovery in the consolidated statement of income (loss) and comprehensive income (loss).

Provision for environmental reclamation

SPD recognizes liabilities for legal or constructive obligations associated with the restoration of mineral properties and retirement of equipment. The net present value of future reclamation costs is capitalized to the related asset along with a corresponding increase in the reclamation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

SPD's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates, and assumptions regarding the amount and timing of the future expenditures. Those changes are recorded directly to the related assets with a corresponding entry to the reclamation provision. The increase in the provision due to the passage of time is recognized as interest expense.

Impairment of mineral properties

At each reporting period, SPD assesses whether there is an indication that an asset or group of assets may be impaired. When impairment indicators exist, SPD estimates the recoverable amount of the asset and compares it to the asset's carrying amount. The recoverable amount is the higher of the fair value less cost of disposal and the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If the carrying value exceeds the recoverable amount, an impairment loss is recorded in the consolidated statement of income (loss) and comprehensive income (loss) during the period.

Reversals of impairment arise from subsequent reviews of the impaired assets where the conditions that gave rise to the original impairments are deemed to no longer apply. The carrying value of the asset is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as a gain in the consolidated statement of income (loss) and comprehensive income (loss) in the period it is determined.

Stock-based compensation

SPD grants stock based awards in the form of stock options in exchange for services from certain employees, officers, and directors. The stock options are equity-settled awards. SPD determines the fair value of the awards on the date of grant using the Black-Scholes-Merton option pricing model. That fair value is charged to loss using a graded vesting attribution method over the vesting period of the options, with a corresponding credit to contributed surplus. When the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. At the end of the reporting period, SPD updates its estimate of the number of awards that are expected to vest and adjusts the total expense to be recognized over the vesting period.

Income taxes

Income tax expense or recovery represents the sum of the tax currently payable and deferred tax. Current tax payable, if any, is based on taxable earnings for the year.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable earnings will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable earnings nor accounting earnings. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and investments, and interests in joint ventures, except where SPD is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to earnings, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recorded within equity.

Income tax assets and liabilities are offset when there is a legally enforceable right to offset the assets and liabilities and when they relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Income per share

Basic income per share is computed by dividing net income available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income per share is computed similar to basic income per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In periods of loss, basic and diluted loss per share are the same as the effect of issuance of additional shares is anti-dilutive.

Accounting policy judgments and estimation uncertainty

The preparation of consolidated financial statements in accordance with IFRS requires management to exercise judgment in applying SPD’s accounting policies. Those judgments are based on management’s best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from the amounts included in the consolidated financial statements.

Areas of judgments that have the most significant effect on the amounts recognized in the consolidated financial statements are:

Impairment indicator assessment of mineral properties

SPD follows the guidance of IFRS 6, *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"), to determine when a mineral property asset has impairment indicators and is required to test for impairment. That determination requires significant judgment. The impairment indicators considered by management include: (i) the period during which SPD or its subsidiary has the right to explore in the area has expired during the year or will expire in the near future; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned; (iii) a decision to discontinue exploration and evaluation in an area; and (iv) sufficient data exists to indicate that the carrying value of mineral properties will not be fully recovered from future development and production. No impairment indicators existed at December 31, 2023 for any of SPD's properties.

Valuation of investments

Investments that cannot be measured or can only be partially measured using observable market inputs are classified as Level 3 investments. The measurement of such investments draws principally on valuation models and methods. That valuation requires judgements. At December 31, 2023, SPD valued its Level 3 investments of WPPM shares based on the share price of WPPM's most recent equity financing completed on an arm's-length basis.

Valuation of promissory note receivable

Promissory note receivable is initially recognized at fair value and subsequently recognized at amortized cost. The most significant assumption in the determination of the initial fair value is the discount rate. SPD determined the discount rate based on market interest rates and the credit risk of the counterparty.

Reversal of mineral property impairment

SPD recorded a reversal of mineral property impairment related to its Taylor property at December 31, 2022. The determination of the amount of the reversal of mineral property impairment required judgements related to the determination of the recoverable amount based on the subsequent sale of the asset after December 31, 2022. The most significant assumption in the determination of the recoverable amount at December 31, 2022 was the discount rate used in the fair value of the note receivable included in the purchase consideration. The discount rate was determined based on market interest rates and the credit risk of the counterparty.

4. INVESTMENTS

On January 27, 2023, SPD received 631,034 shares of White Pine Precious Metals Inc. ("WPPM"), a privately held Ontario-based company, as partial consideration for the sale of the Taylor property. As per the Definitive Purchase Agreement for WPPM to acquire the Taylor property (the "Purchase Agreement"), SPUS has continued to receive additional shares to meet the 5% ownership requirement until WPPM reaches an equity capitalization of US$5 million. In 2023, SPUS received a total of 1,867,113 additional shares of WPPM to maintain ownership of 5% of the issued and outstanding shares of WPPM. As at December 31, 2023, WPPM's equity capitalization had reached US$5 million and therefore, SPUS will receive no further shares as part of the Purchase Agreement.

Upon receipt of the shares of WPPM, SPD made an irrevocable election to designate them as equity instruments at FVOCI. Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. As of December 31, 2023, SPUS owns 2,498,174 shares of WPPM, equal to 5% of the issued and outstanding shares of WPPM, valued at $0.1323 (US$0.10) per share for $330,405.

During the first quarter of 2022, SPD received 166,667 shares of Forte Minerals Corp. (formerly Plan B Minerals Corp.) common stock upon its initial public offering to replace SPD's previous holding of 200,000 shares of Plan B Minerals Corp. Upon receipt of 166,667 shares of Forte Minerals Corp., SPD made an irrevocable election to designate them as equity instruments at FVOCI. As of December 31, 2023, the fair value of the 166,667 shares of Forte Minerals Corp. was $30,000.

As of December 31, 2023, SPD classified both the WPPM shares and Forte Minerals Corp. shares as non-current assets as SPD intends to hold both the WPPM shares and Forte Minerals Corp. shares for more than one year.

The fair value of securities in SPD's investment portfolio is estimated using the following techniques:

Level 1 - Assets or liabilities with quoted prices in active markets. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - Assets or liabilities that are measured using observable market data and are not allocable to Level 1. Measurements are based, in particular, on prices for comparable assets and liabilities that are traded on active markets, prices on markets that are not considered active, as well as inputs derived from such prices or market data.

Level 3 - Assets or liabilities that cannot be measured or can only be partially measured using observable market inputs. The measurement of such instruments draws principally on valuation models and methods.

SPD determines the estimated fair value of each individual security utilizing the highest level inputs available.

SPD's investment in Forte Minerals Corp. is classified as Level 1 because the fair value is based on quoted prices in an active market for identical assets that are reported at fair value.

SPD's investment in WPPM is classified as Level 3 because the value of that investment cannot be measured using observable market inputs. The fair value of SPD's investment in WPPM as of December 31, 2023 was based on the share price of WPPM's equity financing completed on an arm's-length basis.

The fair value hierarchy of SPD's investment holdings is as follows:

	Fair Value at December 31, 2023			
	Total	Level 1	Level 2	Level 3
FVOCI investments	$ 360,405	$ 30,000	$ —	$ 330,405

	Fair Value at December 31, 2022			
	Total	Level 1	Level 2	Level 3
FVOCI investments	$ 25,000	$ 25,000	$ —	$ —

The changes in Level 3 investments in 2023 is as follows:

Level 3 investment value, December 31, 2022	**$ —**
January 27, 2023 receipt of 631,034 shares of WPPM	83,461
March 31, 2023 receipt of 473,703 shares of WPPM	62,652
June 30, 2023 receipt of 721,283 shares of WPPM	95,397
September 30, 2023 receipt of 459,823 shares of WPPM	60,816
December 31, 2023 receipt of 212,304 shares of WPPM	28,079
Level 3 investment value, December 31, 2023	**$ 330,405**

5. ASSET HELD FOR SALE

In November 2022, SPD's wholly-owned subsidiary SPUS and WPPM signed the Purchase Agreement for WPPM to acquire the Taylor property. The terms of the Purchase Agreement included an immediate payment of $32,533 (US$25,000) followed by a payment of $1,149,625 (US$850,000) and 5% of the issued and outstanding common shares of WPPM on a basic, non-diluted basis by the closing date, with an additional $1,184,138 (US$875,000) payment 18 months following the closing date. SPUS received the $32,533 (US$25,000) on November 22, 2022. The closing occurred on January 27, 2023. Pursuant to IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5"), Taylor's assets were classified as held for sale at December 31, 2022.

As a result of the Purchase Agreement, a reversal of previous impairment in the amount of $1,980,607 was recorded at December 31, 2022 based on the value of the cash received, the cash to be received discounted to present value using a discount rate of 18%, and shares of WPPM to be received.

Closing of the sale of the Taylor assets occurred on January 27, 2023. The assets were transferred to WPPM and SPUS received $1,149,625 (US$850,000) in cash, a promissory note with a face value of $1,184,138 (US$875,000) due July 27, 2024 with annual coupon interest of 2.88% compounding quarterly, and 631,034 common shares of WPPM representing 5% of the issued and outstanding common shares of WPPM on a basic, non-diluted basis. As per the Purchase Agreement, SPUS has continued to receive additional shares to meet the 5% ownership requirement until WPPM reaches an equity capitalization of US$5 million. On March 31, 2023, June 30, 2023, September 30, 2023, and December 31, 2023, SPUS received 473,703, 721,283, 459,823, and 212,304 additional shares, respectively, of WPPM to maintain ownership of 5% of the issued and outstanding shares of WPPM. As at December 31, 2023, WPPM's equity capitalization had reached US$5 million and therefore, SPUS will receive no further shares as part of the Purchase Agreement. A gain of $285,272 from the sale of Taylor was recorded in the year ended December 31, 2023.

6. PROMISSORY NOTE RECEIVABLE

On January 27, 2023, as part of the consideration for the sale of the Taylor property, SPUS received a promissory note with a face value of $1,183,438 (US$875,000) due July 27, 2024 with annual coupon interest of 2.88% compounding quarterly. The promissory note is secured by the Taylor property. The promissory note receivable was initially recognized at fair value and subsequently recognized at amortized cost. The initial fair value of $964,412 (US$713,059) was based on the future cash flows of the promissory note discounted to present value using a discount rate of 18%.

On December 29, 2023, the promissory note was amended and restated. The unpaid principal balance and all accrued interest on the principal balance of the amended and restated promissory note will be due and payable on or before July 27, 2025. Interest will be accrued at an annual rate of 2.88% compounding quarterly through July 27, 2024. A principal payment of US$400,000 will be due and payable on July 27, 2024. From July 28, 2024 to July 27, 2025, interest on the remaining balance will be accrued at a rate of 12% per annum and paid in cash monthly. A principal payment of US$256,744 will be due and payable on January 27, 2025 and the remaining principal balance will be due and payable on July 27, 2025. The amendment was assessed to be a modification under IFRS 9, Financial Instruments ("IFRS 9") with a loss on modification of $27,984 recorded for the year ended December 31, 2023.

The following tables present the continuity and classification of the promissory note:

	Promissory Note
Balance, December 31, 2022	**$ —**
Initial fair value, January 27, 2023	964,412
2023 accretion	167,158
Loss on modification	(27,984)
Adjustment due to currency conversion	(24,677)
Balance, December 31, 2023	**$ 1,078,909**

	December 31, 2023
Current	$ 481,328
Non-current	597,581
Total	**$ 1,078,909**

7. MINERAL PROPERTIES

The following table presents a list of SPD's mineral properties:

	Taylor	Cordero	Copper King	Cornucopia	Total
Balance, December 31, 2021	**$ 96,108**	**$ 129,739**	**$ 1,069,630**	**$ 84,726**	**$ 1,380,203**
Dispositions	(32,533)	—	—	—	(32,533)
Reversal of impairment	1,980,607	—	—	—	1,980,607
Additions / Exploration costs	37,328	11,993	11,415	6,465	67,201
Reclassification to held for sale	(2,169,091)	—	—	—	(2,169,091)
Currency translation adjustment	87,581	9,351	73,530	6,050	176,512
Balance, December 31, 2022	**$ —**	**$ 151,083**	**$ 1,154,575**	**$ 97,241**	**$ 1,402,899**
Additions / Exploration costs	—	12,439	13,242	6,705	32,386
Currency translation adjustment	—	(3,797)	(27,375)	(2,417)	(33,589)
Balance, December 31, 2023	**$ —**	**$ 159,725**	**$ 1,140,442**	**$ 101,529**	**$ 1,401,696**

Cordero

The Cordero gold property is located seven miles southwest of the town of McDermitt in Humboldt County, north-central Nevada. The project is situated within the Opalite mining district, on the southeast rim of the McDermitt Caldera Complex. The property is subject to an existing 1% Net Profits Royalty to Golden Predator US Holding Corp., a wholly-owned subsidiary of Till Capital.

Copper King

Copper King is located in the Silver Valley of Northern Idaho, U.S. and consists of certain unpatented mining claims that are subject to an existing 1% NSR to Golden Predator US Holding Corp., a wholly-owned subsidiary of Till Capital.

Cornucopia

The Cornucopia property is located in the historic Cornucopia silver (gold) mining district located in Elko County, Nevada. The consolidated land position consists of patented and unpatented lode claims oriented north-northwest along the Leopard vein system. These claims cover the areas of previous mining activity and historic, non-NI 43-101 compliant silver resources, as well as the remainder of the Cornucopia mining district.

8. RELATED PARTY TRANSACTIONS

Key management compensation

During the year ended December 31, 2023, SPD incurred expenses of $16,196 (US$12,000) (year ended December 31, 2022 - $15,616 (US$12,000)) to its Chief Executive Officer as compensation for services received. During the year ended December 31, 2023, SPD had stock-based compensation to directors as compensation for services received of $0 (year ended December 31, 2022 - $26,631).

Loan payable

During the year ended December 31, 2021, SPD received a loan from Till Capital of $315,475 (US$250,000), secured by SPD's interest in its wholly-owned subsidiary SPUS, which holds title to projects in Nevada and Idaho. The loan was payable on demand and had a maturity date of August 22, 2022, with an annual interest rate of 12%, and the principal and interest could be prepaid in whole or in part with no penalties. Part of the loan proceeds were used to pay outstanding related party payables to Till Capital and its subsidiaries. During the second quarter of 2022, SPD repaid the loan balance including interest on the loan of $350,155 (US$271,717). Interest expense for the year ended December 31, 2022 was $14,024.

Other

Amounts paid to related parties were incurred in the normal course of business. SPD is party to service agreements with a subsidiary of Till Capital whereby SPD receives accounting and corporate communications services. During the year ended December 31, 2023, SPD was charged $80,982 (US$60,000) (year ended December 31, 2022 - $78,078 (US$60,000)) for those services. At December 31, 2023, the amounts due to related parties included in trade payables totaled $4,817 (December 31, 2022 - $3,649).

9. SHARE CAPITAL AND RESERVES

Authorized and issued share capital

An unlimited number of common shares without par value are authorized. At December 31, 2023 and December 31, 2022, SPD had 35,390,745 shares issued and outstanding.

Private placement

In March 2022, SPD completed the first tranche of the private placement with 1,165,255 units priced at $0.11 per unit for $128,178, each unit consisting of one common share plus one common share purchase warrant exercisable for two years to acquire an additional common share at a price of $0.165 per share (a "Warrant Share"). In June 2022, SPD completed the second tranche of the private placement with 4,665,636 units priced at $0.11 per unit for $513,220, each unit consisting of one common share plus one Warrant Share.

Stock options

SPD has a Stock Option Plan to provide performance incentive to directors, officers, employees, and consultants. The maximum number of shares issuable under the Stock Option Plan may not exceed 10% of the shares outstanding. The exercise period of the options may not exceed five years from the date of grant. The vesting period and the exercise price of options granted is determined by SPD's Board of Directors, and the exercise price cannot be less than the market price of SPD's shares on the date of grant.

During the year ended December 31, 2023, SPD recognized stock-based compensation expense of $0 (year ended December 31, 2022 - $26,631).

At December 31, 2023 and 2022, SPD had 2,850,000 stock options outstanding with a weighted average exercise price of $0.13.

At December 31, 2023, outstanding incentive stock options were as follows:

Number	Issue date	Exercise price	Expiry date	Fair value per option	Total fair value
2,450,000	December 9, 2022	$ 0.12	December 9, 2025	$ 0.011	$ 26,631
400,000	March 29, 2021	$ 0.20	March 29, 2024	$ 0.079	$ 31,525

The fair value of all compensatory options granted is estimated on grant date using the Black-Scholes-Merton option pricing model. The assumptions used in calculating the fair values are as follows:

	2022	2021
Stock price	$0.06	$0.18
Risk-free interest rate	4.27%	0.11%
Expected life	3 years	3 years
Volatility	51.87%	71.66%
Dividend rate	n/a	n/a

Warrant Shares

At December 31, 2023, 5,830,891 Warrant Shares were outstanding as follows:

Number	Issue date	Exercise price	Expiry date	Fair value per warrant	Total fair value
4,665,636	June 3, 2022	$ 0.165	June 3, 2024	$ 0.0284	$ 132,504
1,165,255	March 15, 2022	$ 0.165	March 15, 2024	$ 0.0190	$ 22,140

The fair value of the Warrant Shares was estimated on issue date using the Black-Scholes-Merton pricing model. The assumptions used in calculating the fair values are as follows:

	June 2022	March 2022
Stock price	$0.13	$0.105
Risk-free interest rate	2.93%	1.74%
Expected life	2 years	2 years
Volatility	50.82%	56.62%
Dividend rate	n/a	n/a

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is shown below. All amounts included in this table and remaining tables of Note 10 are rounded to the nearest $1,000 except for the income (loss) for the year before income tax amounts.

	December 31, 2023	December 31, 2022
Income (loss) for the year before income tax	$ 208,742	$ 1,636,473
Expected income tax recovery	$ 56,000	$ 442,000
Impact of different foreign statutory tax rates on earnings of subsidiaries	(22,000)	(106,000)
Permanent difference	—	7,000
Impact of future tax rate changes	—	4,000
Change in unrecognized deductible temporary differences and other	(34,000)	(347,000)
Total income tax	$ —	$ —

The significant components of SPD's unrecorded deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets (liabilities):		
Non-capital losses available for carry forward	$ 53,000	$ —
Allowable capital losses available for carry forward	4,000	3,000
Available for sale investment	(57,000)	(3,000)
Net deferred tax assets	$ —	$ —

The significant components of SPD's unrecognized temporary differences and tax losses are as follows:

	December 31, 2023	Expiry Date Range	December 31, 2022	Expiry Date Range
Temporary differences:				
Non-capital losses available for carry forward	$ 18,523,000	2024 to indefinite	$ 14,305,000	2024 to indefinite
Exploration and evaluation assets	8,435,000	No expiry date	13,135,000	No expiry date
Allowable capital losses	1,391,000	No expiry date	1,394,000	No expiry date
Other	223,000	No expiry date	113,000	No expiry date

Non-capital losses available for carry forward by country:

	December 31, 2023	Expiry Date Range	December 31, 2022	Expiry Date Range
Canada	$ 12,092,000	2024 to 2043	$ 11,909,000	2024 to 2042
United States	6,431,000	2032 to indefinite	2,396,000	2032 to indefinite

Tax attributes are subject to review, and potential adjustment, by tax authorities.

11. SEGMENT INFORMATION

SPD operates in a single segment, which is the exploration and development of resource properties.

12. FINANCIAL INSTRUMENTS

Financial instruments include any contract that gives rise to a financial asset to one party and a financial liability or equity instrument to another party. At December 31, 2023, the carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximated their fair values due to their short term to maturity. The carrying value of the promissory note receivable was measured at fair value on initial recognition and subsequently measured at amortized cost. The amortized cost of the promissory note at December 31, 2023 of $1,078,909 approximated its fair value.

13. FINANCIAL RISKS MANAGEMENT

Foreign exchange risk

A portion of SPD's financial assets and liabilities are denominated in US dollars. SPD may raise funds in either US or Canadian dollars while major purchases and expenditures are usually transacted in US dollars. SPD also funds certain operations and exploration and administrative expenses in US dollars. SPD monitors this exposure to foreign exchange risk, but has no foreign currency hedge positions. At December 31, 2023, a 5% change in the value to the US dollar as compared to the Canadian dollar would result in a change of approximately $54,000 in shareholders' equity and $1,000 in net income.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. SPD is exposed to credit risk from cash deposits and reclamation bonds with financial institutions and regulatory agencies, promissory note receivable, and other receivables. Cash is held in banks and brokerage accounts, for which management believes the risk of loss to be minimal. Reclamation bonds consist of term deposits and guaranteed investment certificates that are invested with reputable financial institutions and a performance bond purchased from a regulatory agency, for which management believes the risk of loss to be minimal. Promissory note receivable is due July 27, 2025 from WPPM as part of the sale of the Taylor property. SPD's maximum balance sheet exposure to credit risk at December 31, 2023 is the carrying value of its cash, note receivable, other receivables, and reclamation bonds.

Interest rate risk

Interest rate risk mainly arises from SPD's cash and cash equivalents, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible.

At December 31, 2023, SPD has no material borrowings.

Liquidity risk

Liquidity risk is the risk that SPD will not be able to meet its current obligations as they become due. SPD prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of SPD's activities, funding for long-term liquidity needs is dependent on SPD's ability to obtain additional financing through various means, including equity financing. There can be no assurance that SPD will be able to obtain adequate financing or that the terms of such financing will be favourable. At December 31, 2023, SPD had a net working capital (current assets less current liabilities) balance of $1,437,506.

14. MANAGEMENT OF CAPITAL RISK

SPD considers the items included in shareholders' equity to be capital. SPD manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, SPD may issue new shares through public and/or private placements, sell assets to reduce debt, or return capital to shareholders.

15. SUBSEQUENT EVENTS

Subsequent to December 31, 2023, 1,165,255 of outstanding warrants, which were issued on March 15, 2022, expired on March 15, 2024 without exercise.