GREEN MINING INNOVATION INC.

(Formerly Goldstar Minerals Inc.)

Condensed Interim Financial Statements

Third quarter ended September 30, 2023

(in Canadian dollars, unless otherwise stated)

Unaudited and not reviewed by the Company's independent auditor)

Green Mining Innovation Inc.

(Formerly Goldstar Minerals Inc.)
Condensed Interim Statements of Financial Position
(Unaudited)

(in Canadian dollars)

	September 30 2023 $	December 31 2022 $
Assets		
Current assets		
Cash and cash equivalents (note 4)	436,840	2,822
Tax credits and other receivables (note 5)	17,877	8,226
Marketable securities (note 6)	119	954
Prepaid expenses	13,536	9,868
	468,372	21,870
Non-current assets		
Mining properties (note 7)	1,698,147	165,361
Exploration and evaluation assets (note 7)	4,274	-
	1,702,421	165,361
TOTAL ASSETS	2,170,793	187,231
Liabilities and Shareholder's Deficiency		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	343,769	316,824
Due to related parties (note 14)	107,500	325,000
Loan payable (note 9)	36,016	36,208
	490,285	678,032
Shareholder's deficiency		
Share capital and warrants (note 10)	17,466,840	15,076,840
Contributed surplus	1,278,776	1,211,684
Deficit	(17,065,108)	(16,779,325)
	1,680,508	(490,801)
TOTAL LIABILITIES AND EQUITY (deficiency)	2,170,793	187,231

Going concern (note 1)
Commitments and contingencies (note 15)

Approved by the Board of Directors

/s/ André Gagné ____________________ Director   /s/ Louis Marcoux ____________________ Director

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

Green Mining Innovation Inc.

(Formerly Goldstar Minerals Inc.)

Condensed Interim Statements of Loss and Comprehensive Loss

For the three and nine months periods ended September 30, 2023 and 2022

Unaudited

(in Canadian dollars)

	For three months ended September 30		For nine months ended September 30	
	2023	2022	**2023**	2022
	$	$	**$**	$
Expenses				
General and administrative expenses (note 12)	**109,581**	28,082	**174,812**	92,507
Professional and consulting fees	**4,066**	32,740	**28,450**	55,194
Share-based payments	**67,092**	-	**67,092**	-
		60,822		147,701
Financial expense (Income)				
Gain on write-off of accrued liabilities	**(776)**	-	**(34,674)**	(50,769)
Interest Income		-		-
Interest expense	**2,672**	4,959	**18,301**	12,397
Change in fair value of marketable securities	**716**	715	**835**	954
Accretion expense (note 9)	**1,274**	869	**2,808**	2,080
	3,886	6,543	**(12,730)**	(35,338)
Other Income				
Government assistance (note 9)	**-**	-	**-**	(2,970)
Other income related to previously written off properties	**-**	(300)	**-**	(300)
Other income related to flow-through shares	**-**	-	**-**	(5,588)
	-	(300)	**-**	(8,858)
Loss (income) and comprehensive loss (income) for the period	**184,625**	67,065	**257,625**	103,505
Net (loss) earnings per share, basic and diluted (note 17)	**(0.01)**	(0.01)	**(0.01)**	(0.01)
Weighted average number of shares outstanding	**32,909,074**	26,758,769	**32,909,074**	26,758,769

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

Green Mining Innovation Inc.

(Formerly Goldstar Minerals Inc.)
Condensed Interim Statements of Changes in Equity
For the nine months periods ended September 30, 2023 and 2022
Unaudited

(in Canadian dollars, except for the number of shares)

	(note)	Number of common shares	Share capital $	Contributed surplus $	Deficit $	Total $
Balance as at January 1, 2022		**26,758,769**	**15,049,340**	**1,211,684)**	**(15,023,083)**	**1,237,941**
Net loss for the period					(103,505)	(103,505)
Comprehensive loss for the period					(103,505)	(103,505)
Share issue expense		-	-	-	(500)	(500)
Balance as at September 30, 2022		**26,758,769**	**15,049,340**	**1,211,684**	**(15,127,088)**	**1,133,936**
Balance as of January 1, 2023		**27,258,769**	**15,076,840**	**1,211,684**	**(16,779,325)**	**(490,801)**
Net loss for the period					(257,625)	(257,625)
Comprehensive loss for the period						
Issue of common shares, private placement	(10)	9,166,665	550,000	-	-	550,000
Issue of common shares, claims acquisition		18,000,000	1,440,000	-	-	1,440,000
Issue of common share as finder's fees		900,000	72,000	-	-	72,000
Share for debt settlement	(10)	5,466,666	328,000	-	-	328,000
Share issue expenses		-	-	-	(28,158)	(28,158)
Share-based payments under option plan	(11)	-	-	67,092	-	67,092
Balance as at September 30, 2023		**60,792,100**	**17,466,840**	**1,278,776**	**(17,065,108)**	**1,680,508**

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

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Green Mining Innovation Inc.

(Formerly Goldstar Minerals Inc.)
Condensed Interim Statement of Cash Flows
For the nine months periods ended September 30, 2023 and 2022
Unaudited

(in Canadian dollars)

	For nine months ended September 30	
	2023	2022
	$	$
Cash flows from operating activities		
Loss and comprehensive loss for the period	**(257,625)**	(103,505)
Items not involving cash:		
Share-based payments	**67,092**	-
Gain on write-off of accrued liabilities	**(34,672)**	(50,769)
Net interest expense	**18,301**	12,397
Change in fair value of marketable securities (note 6)	**835**	954
Accretion expense (note 9)	**2,808**	2,080
Government assistance (note 9)	**-**	(2,970)
Other income related to flow-through shares	**-**	(5,588)
Net change in non-cash operating working capital:		
Change in sales tax and other receivables	**(9,651)**	5,550
Change in prepaid expenses	**(3,668)**	(239)
Change in accounts payable and accrued liabilities	**59,611**	23,347
Net cash used in operating activities	**(156,968)**	(118,743)
Cash flows from investing activities		
Additions to mining properties	**(20,786)**	(2,238)
Additions to exploration and evaluation assets	**(20,571)**	15,669
Net cash from (used in) investing activities	**(41,357)**	13,431
Cash flows from financing activities		
Proceeds from issuance of shares	**550,000**	-
Share issue expenses	**(28,158)**	(500)
Increase in due to related parties (note 13)	**110,500**	50,000
Net cash provided from financing activities	**632,343**	49,500
Net decrease in cash and cash equivalents	**434,018**	(55,812)
Cash and cash equivalents, beginning of year	**2,822**	61,702
Cash and cash equivalents, end of period	**436,840**	5,890
Non-cash transactions		
Additions to mining properties by issuance of shares (notes 7 and 10)	**1,512,000**	-
Additions to exploration and evaluations assets included in accounts payable and accrued liabilities	**52,739**	69,036
Due to key management personnel paid in shares	**328,000**	-

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

(in Canadian dollars, except per share amounts)

1 Incorporation, nature of activities and going concern

Green Mining Innovation Inc. (the "Company" or "Green Mining"), formerly Goldstar Minerals Inc, is a company domiciled in Canada and was continued under the Canada Business Corporations Act on September 4, 2014. The address of the Company's registered office is 608, Sir Adolph Routhier, Québec (Québec). The company name was changed to Green Mining Innovation Inc. on September 25th, 2023.

The Company is involved in the exploration of mineral properties in the Provinces of Québec and Newfoundland. Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These condensed interim financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The Company is still in the exploration stage and, as such, no revenue has yet been generated from its operating activities. As at September 30, 2023, the statement of financial position shows a negative working capital of $22,013 (negative working capital of $656,162 as at December 31, 2022). The ability of the Company to meet its commitments as they become due, including the acquisition of mineral properties and the development of projects, is dependent on its ability to obtain necessary financing. The recoverability of amounts shown for mining properties and exploration and evaluation assets is dependent upon the ability of the Company to obtain necessary financing to complete the exploration and development thereof, and upon future profitable production or proceeds from the disposal of properties. If the Company is unable to obtain sufficient additional funding, this could lead to a delay, reduction or elimination of its exploration plans, which could adversely affect its business, its financial condition and its results.

Management believes that it will be able to secure financing in the future. However, as at September 30, 2023, since the Company has a negative working capital, the Company does not have sufficient financial resources to cover its budgeted general administrative expenses and to meet its short-term obligations for the next twelve months, and to complete its planned 2023 calendar year exploration budget. Consequently, the Company will need to obtain additional financing in 2023. While the Company has been successful in securing financing, raising additional funds is dependent on a number of factors outside the Company's control, and as such there is no assurance that it will be able to do so in the future.
The conditions mentioned above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

2 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), including IAS 34, Interim Financial Reporting.

These unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended December 31, 2022.

3 Basis of preparation and significant accounting policies

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. The basis of preparation, including the use of estimates and judgments, and significant accounting policies are unchanged compared to the ones disclosed in the audited annual financial statements for the year ended December 31, 2022.

4 Cash and cash equivalents

	September 30 2023 $	December 31 2022 $
Bank balance	436,840	2,822

5 Taxes credits and other receivables

	September 30 2023 $	December 31 2022 $
Sales tax	17,620	7,754
Other	257	472
	17,877	8,226

6 Marketable securities

	September 30 2023 $	December 31 2022 $
Lucky Minerals Inc. – common shares	119	954

The Company holds 23,858 common shares of Lucky (2022 – 23,858) having a fair value of $119 as at September 30, 2023 (2022 – $954).

(in Canadian dollars, except per share amounts)

7 Mining properties and exploration and evaluation assets

(a) Upton Property:

	Anctil property Quebec $	Fortune property Quebec $	Nemenjiche Property Quebec $	Panache North Property Quebec $	Prince property Newfoundland $	Upton Property Quebec $	Total $
Mining properties							
As at January 1, 2023	-	55,547	-	21,979	14,356	73,479	165,361
Acquisition costs	-	-	-	-	-	1,512,000	1,512,000
Claim staking and renewal		19,786	-	-	1,000	-	20,786
As at September 30, 2023	-	75,333	-	21,979	15,356	1,585,479	1,698,147
Exploration and evaluation assets							
As at January 1, 2023	-	-	-	-	-	-	-
General and administration	-	-	-	-	-	4,274	4,274
As at September 30, 2023	-	-	-	-	-	4,274	4,274

	Anctil property Quebec $	Fortune property Quebec $	Nemenjiche Property Quebec $	Panache North Property Quebec $	Prince property Newfoundland $	Upton Property Quebec $	Total $
Mining properties							
As at January 1, 2022	181,431	55,547	157,300	21,979	13,106	-	429,363
Acquisition costs	-	-	-	-	-	73,479	73,479
Claim staking and renewal	1,238	-	-	-	1,250	-	2,488
Write-off	(182,669)	-	(157,300)	-	-	-	(339,969)
As at December 31, 2022	-	55,547	-	21,979	14,356	73,479	165,361
Exploration and evaluation assets							
As at January 1, 2022	895,186	-	244,705	-	-	-	1,139,891
Assays	20,118	-	-	-	-	-	20,118
Write-off	(915,304)	-	(244,705)	-	-	-	(1,160,009)
As at December 31, 2022	-	-	-	-	-	-	-

The Upton property consists of a total of 10 claims, covering an area of 601 hectares (6.01 km2). It is located in the Montérégie region of southern Québec. The property comprises a 100% interest in 8 claims covering an area of approximately 481 hectares (4.81 km2) which were acquired pursuant to the Purchase and Sale Agreement described below and 100% interest in 2 claims covering an area of approximately 120 hectares (1.20 km2) pursuant to the Purchase and Sale Agreement described below.

On January 27, 2023, the Company entered into a Purchase and Sale Agreement for the acquisition of 100% interest in 8 claims, totaling approximately 481 hectares (4.8 km2). In consideration for these claims, the Company will issue 18,000,000 common shares and pay in shares a finder's fee of 5% equivalent to 900,000 common shares. Shares were issued on August 15th, 2023 with a value of $0.08 cents per share for a total of $1,512,000, as agreed with TSX venture per May 11, 2023 press release. The vendors have confirmed that they were not acting in concert regarding the affairs of the Corporation and that the issuance of 18,000,000 shares also reflected the contribution of knowledge and experience to be provided to the Corporation by the new management team. The vendors did not own shares of the Corporation prior to the transaction. As part of the agreement, the Company was committed to proceed with a non-brokered financing for a minimum of $550,000 consisting of 9,166,666 units at a price of $0.06 per unit. Each unit was comprised of one common share and one purchase warrant where each warrant shall entitle the holder thereof to subscribe for one additional common share at an exercise price of $0.12 at any time until two years after closing. The warrants will provide for an acceleration clause if

7 Mining properties and exploration and evaluation assets - continued

the shares trade above $0.20 for more than 20 consecutive days. In respect of subscriptions sourced by an eligible finder, the Corporation paid in cash a fee equal to 7% of the amount subscribed.

On October 27, 2022, the Company entered into a Purchase and Sale Agreement with Jean Bernard for the acquisition of 100% interest in 2 claims, totaling 120 hectares (1.2 km2). In consideration for these claims, the Company paid $25,000 plus applicable taxes and issued 500,000 common shares at a price of $0.055 per share. Upon commercial production, the Company will issue an additional 1,000,000 common shares.

(b) Fortune Property:

The Fortune property comprises a 100% interest in a total of 101 claims, covering an area of approximately 5,714 hectares (57.14 km2). The Fortune property is located in the Gaspé Peninsula of Québec, with direct access to most of the property by Highway 132 and a network of maintained roads.

(c) Panache North Property:

The Panache North property comprises a 100% interest in a total of 4 claims, covering an area of approximately 225 hectares (2.25 km2). The Panache North property is located in the Windfall Lake (Urban Barry) area of Québec

(d) Prince Property:

The Prince property comprises a 100% interest in a total of 4 claims, covering an area of approximately 125 hectares (1.25 km2). The Prince property is located in Newfoundland.

(e) Frying Pan Island

The Frying Pan Island property comprises a 100% interest in a total of 1 claim, covering an area of 25 hectares (.25 km2). This property is located in Newfoundland

(e) Anctil Property:

As a result of the Covid-19 pandemic, significant labour shortages and delays have resulted in the exploration commitment not being met and the Company has decided not to pursue exploration on this property. During the year ended December 31, 2022, the Company recorded a write-off of $1,097,973.

(f) Nemenjiche Property:

As a result of the Covid-19 pandemic, significant labour shortages and delays have resulted in the exploration commitment not being met and the Company has decided not to pursue exploration on this property. During the year ended December 31, 2022, the Company recorded a write-off of $402,005.

(in Canadian dollars, except per share amounts)

8 Accounts payable and accrued liabilities

	September 30 2023 $	December 31 2022 $
Accounts payable	128,730	68,314
Accrued and other liabilities (a)	215,039	248,510
Balance – end of period	343,769	316,824

(a) Including a flow-through indemnity provision of $168,010. Given the amendment of the commitment related to the 2021 flow-through financing of $720,000 (refer to note 15), the Company may be required to indemnify flow-through investors for the amount of increased tax payable by the flow-through investor as a consequence of the failure of the Company to incur qualifying exploration expenditures previously renounced to the flow-through investor in the required time frame.

9 Loan payable

	September 30 2023 $	December 31 2022 $
Loan, capital of $40,000 (2021 - $40,000) Secured by the government of Canada, non-interest bearing until January 18th, 2024	39,016	36,208

The Company received a $60,000 loan under the Canada Emergency Business Account program. In January 2022, the loan repayment date was postponed to December 31, 2023 and again postponed to January 18th, 2024. If the Company repays $40,000 of the loan by January 18th, 2023, no other amount will be payable.

Otherwise, the loan balance to repay will be $60,000 bearing interest at 5% to be repaid in 36 monthly instalments of capital and interest with maturity on December 31, 2026.

Since $20,000 of the government assistance is forgivable if the Company repays $40,000 by December 31, 2023, the amount was recognized in earnings at the time the government assistance was granted. Additionally, the carrying amount of the loan at the time it was granted has been reduced by an amount equivalent to the variance between fair value, determined using a present value technique at a rate of 10%, and the par value of the loan. Since the loan which gave rise to the variance is a form of government assistance for working capital, the consideration was applied to earnings at the time it was granted. An accretion expense was then charged to earnings as interest expenses on long-term debt using the straight-line method over the initial loan term.

(in Canadian dollars, except per share amounts)

10 Share capital and warrants

Share capital
Authorized
Unlimited number of voting common shares, participating, without par value.

a) Issued and fully paid

i) On October 27, 2022, the Company entered into a Purchase and Sale Agreement with Jean Bernard for the acquisition of 100% interest in 2 claims, totaling 120 hectares (1.2 km2). The Upton property is located in the Montérégie region of southern Québec. In consideration for these claims, the Company paid $25,000 plus applicable taxes and issued 500,000 common shares at a price of $0.055 per share. Upon commercial production, the Company will issue an additional 1,000,000 common shares.

ii) For the acquisition of the Upton property (note 7), the Company issued 18,000,000 common shares and pay in shares a finder's fee of 5% equivalent to 900,000 common shares. Shares were issued on August 15th, 2023 at the price $0.08. As part of the agreement, the Company was committed to proceed with a non-brokered financing for a minimum of $550,000 consisting of 9,166,666 units at a price of $0.06 per unit. Each unit will be comprised of one common share and one purchase warrant where each warrant shall entitle the holder thereof to subscribe for one additional common share at an exercise price of $0.12 at any time until two years after closing.

iii) On August 15, 2023, the company issued 5,466,666 shares at 0.06 to reimburse a loan from an Officer of the company for an amount of $328,000 leaving a balance of $107,500 on September 30, 2023.

iv)

	September 30 2023 Number of shares	$	December 31 2022 Number of shares	$
Balance beginning of year	27,258,769	15,076,840	26,758,769	15,049,340
Issue of common shares, Upton property	18,000,000	1,440,000	500,000	27,500
Issue of common shares finder's fee	900,000	72,000	-	-
Private placement	9,166,665	550,000	-	-
Share for debt	5,466,666	328,000	-	-
	60,792,100	17,466,840	27,258,769	15,076,840

(in Canadian dollars, except per share amounts)

10 Share capital and warrants - continued

b) Changes in Corporation warrants are as follows:

The number of share purchase warrants outstanding fluctuated as follows during the period:

	September 30 2023 $	December 31 2022 $
Balance beginning of year	5,426,924	5,426,924
Warrants expired	(5,426,924)	-
Warrants issued	9,166,665	-
Balance end of year	9,166,665	5,426,924

As at September 30, 2023, the following share purchase warrants were outstanding:

- 9,166,665 warrants at $0.12 per warrant expiring August 14, 2025

All warrants outstanding at the end of the period could potentially dilute basic earnings per share in the future.

11 Share base payments

The Company has a Rolling 10% Stock Option Plan (the “Plan”) for the benefit of the directors, officers, employees, and service providers of the Company. The maximum number of common shares which may be issued under the Plan is 10% of the Company’s issued and outstanding share capital at the date of the grant. The Plan has a “rolling” limit, as the number of shares reserved for issuance pursuant to the grant of stock options will automatically increase as the Company’s issued and outstanding share capital increases. The limit includes outstanding stock options previously granted. All shares subject to options that have terminated without having been exercised shall be available for any subsequent options under the plan. Options granted under the plan will be for a term not exceeding five years. The Plan provides that it is solely within the discretion of the Board to determine who should receive share options, in what amounts, and determine vesting terms. The plan is subject to shareholders’ approval yearly at the Company’s annual meeting of shareholders.

The options granted in 2023 and 2022 were granted at a price equal to the closing market value of the shares, the previous day before the grant. The changes to the number of stock options granted by the Corporation and their weighted average exercise price are as follows:

(in Canadian dollars, except per share amounts)

11 Share base payments - continued

	September 30 2023		December 31 2022	
Stock option	**Number**	**Weighted average exercise price $**	**Number**	**Weighted average exercise price $**
Balance – Beginning of year and end of period	1,476,228	0.31	1,476,228	0.31
Granted	750,000	0,10	-	-
Expired	(461,228)	1.00	-	-
Options exercisable End of period	1,765,000	0,14	1,476,228	0.31

As of September 30, 2023, the Corporation had the following stock options outstanding:

Expiry date	**Exercise price $**	**Options granted**	**Number of options exercisable**
January 12, 2026	0.16	1,015,000	1,015,000
September 24, 2028	0.10	750,000	750,000
		1,765,000	1,765,000

12 General and administration expenses

	For three months ended September 30		For nine months ended September 30	
	2023 $	2022 $	2023 $	2022 $
Corporate salaries	52,687	18,348	86,675	51,155
Investor and shareholder relations	32,545	1,846	40,608	16,435
Insurance	3,337	3,410	10,130	9,743
Taxes, licenses, and rent	10,500	987	20,659	4,106
Miscellaneous	10,512	3,491	16,740	11,068
Total	109,581	28,082	174,812	92,507

(in Canadian dollars, except per share amounts)

13 Related party transactions

Remuneration of key management

Key management includes directors and senior executives. The compensation recognized as an expense and paid to key management for services is presented below:

		September 30 2023		September 30 2022
Short-term employee benefits	$	33,987	$	51,155
Management fees		52,687		-
Share-based payments		67,092		-
Total	$	153,767	$	51,155

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the period ended September30,2023, the CEO , CFO and COO rendered consulting services in the amount of $86,674 (2022 - $51,155), charged to professional and consulting fees, and $67,092 (2022 - nil) with respect to financing charged to share issue expenses, totaling an aggregate amount of $153,767 (2022 - $51,155).

On January 10, February 2, February 14, March 1, 2023, May 4th, June 3rd and June 27th 2023, an officer and director of the Company loaned the respective amounts of $3,000, $3,000, $25,000, and $25,000, 50,000, 1,500 and 3,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand.

On July 7, October 11, October 13, October 27, and December 19, 2022, a director and officer of the Company loaned the respective amounts of $50,000, $3,000, $3,000, $94,000, and $25,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand.

On August 15, 2023, the company issued 5,466,666 shares at 0.06 to reimburse a loan from an Officer of the company for an amount of $328,000 leaving a balance of $107,500 on September 30, 2023. As at September 30, 2023, outstanding loans from directors and officers, due on demand, totaled $107,500 and interest accrued amounted to $5,368. These transactions, made in the normal course of business, were measured at the exchange amount, which is the amount established and agreed to by the parties.

(in Canadian dollars, except per share amounts)

14 Income taxes

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.5% (2022 - 26.5%) as a result of the following:

	September 30 2023 $	September 30 2022 $
Loss and comprehensive loss	(257,625)	(103,505)
Computed expected tax expense (recovery)	(68,271)	(27,929)
Increase in income tax resulting from:		
Current year losses not recognized and changes in Unrecognized deferred income tax assets	(11,502)	(13,537)
Non-deductible share-based payment	17,779	-
Tax impact of flow-through shares	-	5,331
Permanent difference arising from the non-taxable income related to flow-through shares	-	(1,481)
Other	61,993	37,116
Total deferred income tax recovery	-	-

As at September 30, 2023, the Company has approximately $7,333,630 (2022 - $5,487,767) of Canadian development and exploration expenditures, which under certain circumstances may be utilized to reduce the taxable income of future years. In addition, the Company has share issue costs of approximately $67,457 (2022 - $92,000) which have not yet been deducted for income tax purposes. The Company also has $4,219,000 (2022 - $4,180,000) in available non-capital losses for Canadian income tax purpose which may be carried forward to reduce taxable income in future years. These tax losses expire as follows:

2028	21,000
2029	112,000
2030	324,000
2031	22,000
2032	212,000
2033	633,000
2034	317,000
2035	186,000
2036	216,000
2037	300,000
2038	556,000
2039	543,000
2040	299,000
2041	286,000
2042	177,000
2043	14,000
	4,219,000

(in Canadian dollars, except per share amounts)

14 Income taxes – continued

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

	September 30 2023 $	December 31 2022 $
Non-capital losses	4,219,000	4,204,000
Capital losses	99,000	96,000
Mining properties and exploration and evaluation assets	5,446,000	5,442,000
Share issue costs	67,000	92,000
Others	23,000	21,000
Unrecognized temporary differences	9,854,000	9,855,000

15 Commitments and contingencies

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company is committed to incur eligible exploration and evaluation expenses of $720,000 by December 31, 2022, related to its flow-through share financings completed in 2021. In 2022, the Company has amended its commitment to $477,653. As at December 31, 2022, the Company has incurred $477,653 of eligible expenses.

However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors or the Company. In such event, the Company will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.

(in Canadian dollars, except per share amounts)

16 Financial instruments

Amortized cost	Carrying amount	Fair value	Carrying amount	Fair value
Cash	436,840	436,840	2,822	2,822
Marketable securities	119	119	954	954
Amounts receivable (excluding taxes)	257	257	472	472
	437,216	437,216	4,248	4,248
Liabilities – Amortized cost				
Accounts payable, accrued liabilities(1)	343,769	343,769	316,824	316,824
Loan payable	39,016	39,016	36,208	36,208
Du to related party	107,500	107,500	325,000	325,000
	490,285	490,285	678,032	678,032

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous year.

Fair Value

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices (unadjusted) in active markets.
- Level 2: defined as inputs other than quoted prices included in Level 1, that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data, therefore requiring the Company to develop its own assumptions.

FINANCIAL RISK FACTORS

The Company is exposed to various financial risks resulting from both its operations and its investment activities as well as external factors out of its control. The Company's management monitors financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main risk exposure and its financial risk management policies are as follows:

(a) Fair value:

Fair value estimates are made based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

16 Financial instruments - continued

The carrying amounts for cash and cash equivalents, other receivables, accounts payable and accrued liabilities on the statements of financial position approximate fair values because of the short-term nature of these instruments. The fair value of the loan payable is based on the discounted cash flows and is not materially different from its carrying value since there was no material change in the assumptions used for fair value determination at inception.

As at September 30, 2023, the Company held marketable securities consisting of 23,858 (December 31, 2022 – 23,858) common shares of Lucky Minerals Inc. (“Lucky”) carried at a fair value of $119 (December 31, 2022 - $954). These marketable securities were classified as Level 1 within the fair value hierarchy.

(b) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions.

(c) Liquidity risk:

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient cash and to ensure that the Company have financing source for a sufficient amount to meet liabilities when due. The Company’s accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms except for the loan payable that matures on December 31, 2026 and due to related parties.

17 Earnings per share

The warrants and share purchase options were excluded from the diluted weighted average number of common shares calculation since the Company is at a loss and, therefore, their effect would have been antidilutive.