EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

For the years ended
December 31, 2023 and 2022

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Independent Auditor's Report

To the Shareholders of Eagle Plains Resources Ltd.

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2023. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. 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.

Recoverability of Exploration and Evaluation Assets

As disclosed in Note 7 to the consolidated financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. Refer to Note 2 and Note 3 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

During the year ended December 31, 2023, the Group recognized an impairment of approximately $660,000.

Why the Matter is a Key Audit Matter

We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets balance and (ii) the judgments made by management in its assessment of indicators of impairment related to exploration and evaluation assets, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the Key Audit Matter was Addressed in the Audit

We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, for a sample of mining claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;

- Assessing compliance with option agreements by reviewing agreements, and vouching cash payments and share issuances;

- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;

- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and

- Assessing the adequacy of the related disclosures in Note 2, Note 3 and Note 7 to the consolidated financial statements.

Accounting for the Spin-out Transaction

As disclosed in Note 18 to the consolidated financial statements, the Group completed a spin-out transaction of its wholly-owned subsidiary, Eagle Royalties Ltd. ("ER"). ER issued an aggregate of approximately 42 million common shares to the Group (the "Spinco Shares") as consideration for royalty interests and cash transferred from the Group. Of the total Spinco Shares so issued, 5 million Spinco Shares were retained by the Group and the remaining 37 million Spinco Shares were distributed to shareholders of the Group on a 1:3 basis. The Spinco Shares are subject to escrow requirements.

Why the Matter is a Key Audit Matter

We identified the accounting of the spin-out transaction as a key audit matter due to the significance of the gain on distribution recognized, as well as the significant management judgment and estimates involved in the valuation of the Spinco Shares. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures.

How the Key Audit Matter was Addressed in the Audit

In responding to the key audit matter, we performed the following audit procedures:

- Reviewing the arrangement agreement and obtaining an understanding of the transaction and key terms;

- Assessing the appropriateness of the valuation model chosen by management in estimating the discount to incorporate the effect of the escrow period;

- Verifying the inputs used by management in the option pricing model, including share price, term, volatility, dividend rate, and risk-free rate;

- Performing recalculations to test the mathematical accuracy of the outputs;

- Evaluating management's determination of the accounting treatment of the Spin-out Transaction by analyzing specific facts and circumstances against relevant accounting guidance; and

- Assessing the adequacy and appropriateness of the related disclosures in Note 18 to the consolidated financial statements.

Other Information

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

- Management's Discussion and Analysis

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

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

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
April 11, 2024

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at December 31	**2023**	2022
Assets		
Current		
Cash and cash equivalents	**$ 7,772,968**	$ 9,489,788
Accounts receivable (Note 4)	**235,817**	382,229
Prepaid expenses	**296,193**	602,201
Due from related party (Note 10)	**528,637**	-
Investments (Note 5)	**1,344,633**	607,290
Mineral exploration tax credits recoverable	**270,598**	157,787
	10,448,846	11,239,295
Reclamation bonds (Note 11)	**186,258**	127,778
Property and equipment (Note 6)	**1,382,432**	1,489,622
Exploration and evaluation assets (Note 7)	**2,717,834**	1,485,929
	$14,735,370	$14,342,624
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	**$ 155,367**	$ 276,511
Prepaid deposits	**701,338**	1,374,757
Reclamation deposits (Note 11)	**56,269**	56,269
Premium on flow-through shares	**-**	9,129
Lease liabilities	**-**	9,313
	912,974	1,725,979
Shareholders' equity		
Share capital (Note 8)	**20,222,589**	25,997,868
Contributed surplus (Note 8)	**5,359,356**	5,037,220
Deficit	**(11,759,549)**	(18,418,443)
	13,822,396	12,616,645
	$14,735,370	$14,342,624

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 11)
Subsequent event (Note 16)

On behalf of the Board:

"Timothy J Termuende" Director
Mr. Timothy J. Termuende (Signed)

"Glen J Diduck" Director
Mr. Glen J. Diduck (Signed)

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian dollars)

For the years ended December 31	2023	2022
Revenue		
Geological services (Note 14)	**$10,267,152**	$17,315,322
Cost and expenses of operations		
Services	**7,483,708**	13,545,594
Depreciation (Note 6)	**177,052**	158,081
Salaries and subcontractors	**1,485,414**	1,590,915
	(9,146,174)	(15,294,590)
Gross profit	**1,120,978**	2,020,732
Operating expenses		
Administration costs (Note 10)	**1,461,002**	1,494,216
Professional fees (Note 10)	**251,658**	345,114
Public company costs	**59,038**	41,946
Trade shows, travel and promotion	**426,802**	313,184
	(2,198,500)	(2,194,460)
Other expenses		
Bad debts	**90,897**	2,491
Depreciation (Note 6)	**44,316**	50,355
Share-based payments (Notes 8 and 10)	**322,136**	393,538
Write down of exploration and evaluation assets (Note 7)	**657,985**	245,052
	(1,115,334)	(691,436)
Loss before other items	**(2,192,856)**	(865,164)
Other items		
Option proceeds in excess of carrying value (Note 7)	**236,393**	255,117
Other income	**496,241**	266,249
Investment income	**292,945**	75,127
Premium on flow-through shares	**53,544**	142,292
Gain on disposal of property and equipment (Note 6)	**1,538**	107,724
Loss on investments (Note 5)	**(174,125)**	(549,802)
Gain on distribution of assets (Note 18)	**7,945,214**	-
	8,851,750	296,707
Comprehensive income (loss) for the year	**$6,658,894**	$ (568,457)
Income (loss) per share - basic and diluted (Note 9)	**$0.06**	$(0.01)
Weighted average number of shares outstanding - basic and diluted (Note 9)	**112,402,598**	106,399,938

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

For the years ended December 31	2023	2022
Cash flows from operating activities		
Income (loss) for the year	**$6,658,894**	$(568,457)
Adjustment for:		
Gain on distribution of assets	**(7,945,214)**	-
Bad debts	**90,897**	2,491
Depreciation	**221,368**	208,436
Share-based payments	**322,136**	393,538
Loss on investments	**174,125**	549,802
Gain on disposal of property and equipment	**(1,538)**	(107,724)
Investment income	**(5,980)**	-
Option proceeds in excess of carrying value	**(236,393)**	(255,117)
Gain on sale of claims	**(300,650)**	(41,654)
Write down of exploration and evaluation assets	**657,985**	245,052
Premium on flow-through shares	**(53,544)**	(142,292)
Gain on debt forgiveness	**-**	(75,125)
Interest accretion	**78**	478
	(417,836)	209,428
Changes in non-cash working capital items		
Decrease in accounts receivable	**50,826**	274,429
(Increase) decrease in prepaid expenses	**299,736**	(561,281)
Increase (decrease) in accounts payable and accrued liabilities	**53,209**	(146,998)
Increase (decrease) in prepaid deposits	**(673,419)**	1,019,015
	(687,484)	794,593
Cash flows from financing activities		
Proceeds from exercise of stock options and warrants	**22,500**	116,000
Proceeds from financing	**888,300**	1,287,080
Share issue costs	**(13,720)**	(3,640)
Lease payments	**(9,391)**	(25,138)
	887,689	1,374,302
Cash flows from investing activities		
Increase in due from related party	**(153,637)**	-
Proceeds from sale of investments	**378,723**	3,485,022
Purchase of investments	**(111,545)**	-
Purchase of reclamation bonds	**(52,500)**	(11,903)
Cash received for option payments and sale of claims	**215,000**	396,052
Exploration and evaluation assets expenditures	**(2,061,567)**	(1,363,474)
Proceeds from sale of property and equipment	**4,432**	148,000
Purchase of property and equipment	**(117,072)**	(338,512)
Cash disposed of upon Eagle Royalties spin-out	**(18,859)**	-
	(1,917,025)	2,315,185
Increase (decrease) in cash and cash equivalents	**(1,716,820)**	4,484,080
Cash and cash equivalents, beginning of year	**9,489,788**	5,005,708
Cash and cash equivalents, end of year	**$7,772,968**	$9,489,788
Cash and cash equivalents comprise:		
Bank	**$1,359,520**	$2,933,975
Term deposits	**6,413,448**	6,555,813
	$7,772,968	$9,489,788

The Company made no cash payments for income taxes.
The Company received cash payments of $286,965 (2022 - $75,127) for interest.
Supplemental Cash Flow Information (Note 13)

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital		Contributed		
	Shares	Amount	Surplus	Deficit	Total
Balance, December 31, 2021	101,684,669	$24,638,820	$4,743,711	$(17,849,986)	$11,532,545
Shares issued for flow-through financing	7,571,058	1,287,080	-	-	1,287,080
Shares issued on exercise of options	1,160,000	216,029	(100,029)	-	116,000
Shares issued for mineral property	50,000	11,000	-	-	11,000
Premium on flow-through shares	-	(151,421)	-	-	(151,421)
Share issue costs	-	(3,640)	-	-	(3,640)
Share-based payments	-	-	393,538	-	393,538
Income (loss) for the year	-	-	-	(568,457)	(568,457)
Balance, December 31, 2022	110,465,727	25,997,868	5,037,220	(18,418,443)	12,616,645
Distribution of Eagle Royalties shares	-	(6,627,944)	-	-	(6,627,944)
Proceeds from flow-through financing	4,441,500	888,300	-	-	888,300
Share issue costs	-	(13,720)	-	-	(13,720)
Shares issued on exercise of options	100,000	11,250	-	-	11,250
Shares issued on exercise of warrants	50,000	11,250	-	-	11,250
Premium on flow-through shares	-	(44,415)	-	-	(44,415)
Share-based payments	-	-	322,136	-	322,136
Income (loss) for the year	-	-	-	6,658,894	6,658,894
Balance, December 31, 2023	**115,057,227**	**$20,222,589**	**$5,359,356**	**$(11,759,549)**	**$13,822,396**

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

1. Nature and Continuance of Operations

Eagle Plains Resources Ltd. (the "Company" or "Eagle Plains" or "EPL") was incorporated on March 30, 1994, pursuant to the Alberta Business Corporation Act (Alberta), and is extra provincially registered in the Yukon, British Columbia, the Northwest Territories and Saskatchewan. The Company is a junior resource company holding properties located in British Columbia, Yukon, the Northwest Territories and Saskatchewan for the purpose of exploring for, and the development of, mineral resources and it is considered to be in the exploration stage.

The Company also provides geological services on its properties optioned to others and properties owned by others through its subsidiary, TerraLogic Exploration Inc. (incorporated pursuant to the British Columbia Corporation Act). The gross profit reported on the consolidated statements of comprehensive income (loss) relates solely to geological services provided to third parties.

The Company's corporate office and principal place of business is Suite 200, 44-12th Avenue South, Cranbrook, British Columbia, Canada.

The Company continues to be dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration projects, and ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern.

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

These circumstances could have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements for the Company for the years ending December 31, 2023 and 2022 are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on April 11, 2024.

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL") which are stated at their fair value. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

2. Basis of Preparation - continued

(c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates include the accounting for the Eagle Royalties Ltd. spin-out transaction, which mainly involves fair value of the distributed Eagle Royalties Ltd. shares (Note 18).

Areas of significant judgment include the assessments of going concern assumption and impairment of exploration and evaluation assets.

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements. The accounting policies have been applied consistently by the Company and its wholly owned subsidiaries. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Principles of consolidation
Subsidiaries

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, TerraLogic Exploration Inc. (“TL”) and Eagle Royalties Ltd. (“ER”). ER transactions are only included for the period from January 1 to May 18, 2023, at which time ER was spun-out as a separate company (Note 18). All significant intercompany balances and transactions have been eliminated.

b) Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, bank balances, term deposits and investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

c) Financial instruments
Cash and cash equivalents and investments are recorded at FVTPL. Accounts receivable, due from related party, reclamation bonds, accounts payable and accrued liabilities, lease liabilities and reclamation deposits, initially recognized at fair value, are subsequently recorded at amortized cost using the effective interest rate method. The Company provides a loss allowance for its trade receivables at an amount equal to their lifetime expected credit losses.

d) Exploration and evaluation assets
Pre-exploration costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on property and equipment during the exploration phase. Costs not directly attributable to

3. Material Accounting Policies - continued

d) Exploration and evaluation assets - continued

exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company enters into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company tests exploration and evaluation assets for impairment when one or more of the following are present:

i. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

ii. Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

iii. Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

iv. Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties. Any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Exploration and evaluation assets are classified as intangible assets.

e) Government grants and assistance

The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and adjustments, if any, resulting from such a review are recorded in the period that the tax filings are amended.

f) Option agreements

Certain of the Company’s activities are conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint ventures arise when the Company has rights to the net assets of the arrangement. For these arrangements the Company uses the equity method of accounting and recognizes initial and subsequent investments at cost, adjusting for the Company’s share of the joint venture’s income or loss, less dividends received thereafter. Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable under the equity method of accounting. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of

3. Material Accounting Policies - continued

f) Option agreements - continued

disposal and its value in use. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. The Company does not currently have any joint arrangements. However, the properties with option agreements may have joint ventures formed subject to completion of the option agreements.

g) Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items. The depreciation method, useful life and residual values are assessed annually.

Depreciation is determined using the declining balance method, using the rates below which approximate the estimated useful life of the asset:

Automotive	30% per annum
Building	4% per annum
Computer equipment	55% per annum
Computer software	100% per annum
Fence	10% per annum
Furniture and equipment	20% per annum

An item 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 disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income (loss).

h) Investment property

The Company's real estate holdings, which include the head office building, do not meet the definition of an investment property under IAS 40 and are therefore included in property and equipment. Although a portion of the head office building is rented to third parties, under IAS 40, a portion of dual-use property is classified as investment property only if the portion could be sold or leased out separately under a finance lease. Otherwise, the entire property is classified as property and equipment unless only an "insignificant" portion is held for own use. Rental income is recorded as other income.

i) Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss in the statement of comprehensive income (loss) for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

j) Rehabilitation obligations

The Company recognizes the fair value of a legal or constructive liability for a rehabilitation obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes

3. Material Accounting Policies - continued

j) Rehabilitation obligations - continued

resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have significant rehabilitation obligations. Refer to Note 11.

k) Revenue recognition

Revenue associated with the geological services provided by the Company is recognized when services are performed under an agreement with a customer, amount is known and collection of any resulting receivable is reasonably assured.

Invoices for the performance of geological consulting and exploration services are issued on a monthly basis. Revenue is recognized over time as the services are provided.

The stage of completion for determining the amount of revenue to recognize is based on hours incurred by geologists and expenditures made by TerraLogic in the course of completing exploration programs.

The Company's contracts are for each drilling exploration season which run from January to December each year, which is typically a few months. There are minimal drilling programs underway at year end due to weather. As a result, there are no material amounts of services rendered in a single contract recognized in different reporting periods. However, the Company may bill its customers for advances related to the upcoming drilling contract for the next year.

l) Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

m) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the

3. Material Accounting Policies - continued

m) Share capital - continued

warrants is recorded to contributed surplus. For those warrants that expire, the fair value remains in contributed surplus.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as an other liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the other liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting period is disclosed separately as flow-through share proceeds in Note 11, if any.

The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financing expense until qualifying expenditures are incurred.

n) Per share amounts

Basic earnings (loss) per common share are computed by dividing the net income (loss) for the year by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares.

The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings (loss) per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

o) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss in the consolidated statement of comprehensive income (loss) over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss in the consolidated statement of comprehensive income (loss) over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss in the consolidated statement of comprehensive income (loss), unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted,

3. Material Accounting Policies - continued

o) Share-based payments - continued

based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. The fair value of the stock options that expire unexercised remains in contributed surplus.

p) Share distribution

Distributions to the shareholders in the form of cash or investments completed by the Company as a return of capital initially invested by the shareholders are measured at the fair market value of the distribution consideration transferred (cash or investments) on the date of completion of the distribution, and recognised as a reduction in the share capital of the Company. A corresponding amount is recorded as dividend payable. The difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognized in profit or loss.

q) New accounting pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for accounting years beginning after January 1, 2023, or later years. Updates that are not applicable and have no significant impact to the Company have been excluded in the preparation of these consolidated financial statements.

The Company has adopted these accounting standards and amendments effective January 1, 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The implementation of these amendments reduced disclosures in the notes to the consolidated financial statements .

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. There were no significant impact to the consolidated financial statements as a result of the implementation of these amendments.

(Expressed in Canadian dollars)

3. Material Accounting Policies - continued

q) New accounting pronouncements - continued

The following accounting standards and amendments are effective for future periods.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and are expected to have no significant impact to the future consolidated financial statements.

4. Accounts Receivable

Accounts receivable is comprised of:

	December 31 2023	December 31 2022
Trade receivables before allowance (Note 10)	**$ 588,961**	$ 598,939
Less: allowance for expected credit losses	**(387,858)**	(286,845)
Trade receivables, net	**201,103**	312,094
GST	**-**	11,008
Other	**34,714**	59,127
	$ 235,817	$ 382,229

The Company has provided an allowance for lifetime expected credit losses based on the non-ability of certain customers to meet their obligations. The Company does not hold any collateral as security.

5. Investments

The Company holds investments that have been designated as FVTPL as follows:

	December 31, 2023		December 31, 2022	
	Market Value	**Cost**	Market Value	Cost
Current:				
Common shares in public companies	**$ 1,344,633**	**$ 3,145,426**	$ 607,290	$ 2,114,380

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at December 31, 2023 and 2022. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

During the year, the Company received 8,313,635 (2022 – 2,750,000) shares for the various option and property purchase agreements in effect with an attributed value of $350,418 (2022 - $108,250). The Company also retained 5,176,425 shares from the spin-out of Eagle Royalties Ltd. with an attributed value of $931,756 in exchange for the transfer of $103,528 and royalty interests with a nominal carrying value (Note 18). The ER shares were escrowed and to be released 20% every 90 days. As at December 31, 2023, 2,070,570 ER shares remain escrowed and are to be released over the next 6 months, the next release date to be February 19, 2024. The Company also purchased 331,000 (2022 - nil) shares in other companies at a cost of $8,017 (2022 – nil).

During the year, the Company sold investments and received proceeds of $378,723 (2022 - $3,485,022).

The Company recorded loss on investments of $174,125 (2022 – $549,802) in the year which is included in the consolidated statements of comprehensive income (loss).

(Expressed in Canadian dollars)

6. Property and Equipment

Cost	Land	Automotive	Right-of-Use Assets	Building	Computer Equipment & Software	Furniture & Equipment	Fence	Total
Balance at December 31, 2021	$298,856	$472,144	$89,649	$1,062,434	$184,087	$458,169	$13,360	$2,578,699
Additions	-	267,591	-	-	51,129	19,792	-	338,512
Disposals	-	(162,523)	-	-	-	-	-	(162,523)
Balance at December 31, 2022	298,856	577,212	89,649	1,062,434	235,216	477,961	13,360	2,754,688
Additions	-	91,519	-	-	12,901	12,650	-	117,070
Disposals	-	-	-	-	-	(14,631)	-	(14,631)
Balance at December 31, 2023	**$298,856**	**$668,731**	**$89,649**	**$1,062,434**	**$248,117**	**$475,980**	**$13,360**	**$2,857,127**

Accumulated Depreciation	Automotive	Right-of-Use Assets	Building	Computer Equipment & Software	Furniture & Equipment	Fence	Total
Balance at December 31, 2021	$254,884	$50,350	$380,299	$153,188	$331,221	$8,935	$1,178,877
Depreciation	81,167	30,196	28,333	40,830	27,467	443	208,436
Disposals	(122,247)	-	-	-	-	-	(122,247)
Balance at December 31, 2022	213,804	80,546	408,632	194,018	358,688	9,378	1,265,066
Depreciation	128,803	8,281	27,214	33,233	23,438	399	221,368
Disposals	-	-	-	-	(11,739)	-	(11,739)
Balance at December 31, 2023	**$342,607**	**$88,827**	**$435,846**	**$227,251**	**$370,387**	**$9,777**	**$1,474,695**

Carrying Value	Land	Automotive	Right-of-Use Assets	Building	Computer Equipment & Software	Furniture & Equipment	Fence	Total
At December 31, 2022	$298,856	$363,408	$9,103	$653,802	$41,198	$119,273	$3,982	$1,489,622
At December 31, 2023	**$298,856**	**$326,124**	**$822**	**$626,588**	**$20,866**	**$105,593**	**$3,583**	**$1,382,432**

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets

During the year ended December 31, 2023, the Company made acquisition and exploration expenditures of $2,173,264 (2022 - $1,467,274) and received option payments of $249,169 (2022 - $454,658). As a result of option payments received, the Company recorded in income, option proceeds in excess of carrying value of $236,393 (2022 - $255,117). A BCMETC claim of $270,598 (2022 – $42,226) is being claimed for the year. The Company wrote down exploration and evaluations assets of $657,985 (2022 - $245,052). Exploration and evaluation assets totaled $2,717,834 at December 31, 2023, up from $1,485,929 at December 31, 2022. See Schedule 1 – Exploration and evaluation assets and Schedule 2 – Acquisition and exploration additions.

The Company has interests in a number of optioned exploration projects. As at December 31, 2023, the Company has executed option agreements with third parties on the following projects:

Option Agreements - Third party earn in
British Columbia

(a) **Acacia, Lost Horse, FinLith, Surprise, Toodoggone Projects:** On May 31, 2023, the Company executed an option agreement with 1416753 BC Ltd. ("141"), a subsidiary of NevGold Corp. ("NevGold"), a BC corporation, whereby 141 may earn a 100% interest in the Acacia, Lost Horse, FinLith, Surprise and Toodoggone Projects. NevGold intends to prepare 141 for a future going public transaction through either a spin-out, merger, or sale. The projects are owned 100% by Eagle Plains, with certain projects subject to underlying royalties. Under the terms of the agreement, 141 may earn a 100% interest in the properties by completing $1,000,000 in exploration expenditures over two years and issuing 10,000,000 141 shares. A 2% NSR on some of the properties has been reserved for Eagle Plains. Payments are due as follows:

Share Payments	Exploration Expenditures	Due Date
5,000,000	$ -	On or before July 28, 2023 (received)
5,000,000	-	On or within 10 business days of going public
-	500,000	December 31, 2023 (amendment in process)
-	500,000	December 31, 2024
10,000,000	$ 1,000,000	

(b) **Donna Project:** On June 1, 2022, the Company executed a formal option agreement (subject to regulatory approval) with Annacotty Resources Corp. (a private BC company) ("Annacotty") whereby Annacotty may earn an undivided 60% interest in the Donna Project located east of Vernon, British Columbia. Under terms of the Agreement, Annacotty must complete $4,000,000 in exploration expenditures, issue 1,200,000 common shares and make $520,000 in cash payments to Eagle Plains over a five-year period. The agreement was amended December 21, 2022 whereby in consideration for an additional 100,000 shares, the December 31, 2022 payment date was extended to May 30, 2023. On July 21, 2023, an amendment was made to the agreement whereby Annacotty is required to incur $80,000 expenditures by December 31, 2023 and the effective date changed to May 31, 2024 for consideration of 100,000 shares. Eagle Plains will retain a 2.0% NSR Royalty, with Annacotty having the option to repurchase 1% of the NSR Royalty for $1.0 million. Payments are due as follows:

Cash Payments	Share Payments	Expenditures	Due Date
$ -	-	$80,000	December 31, 2023 (completed)
35,000	300,000	-	The earlier of Exchange approval or May 31, 2024
-	-	100,000	1st anniversary date
35,000	150,000	-	2nd anniversary date
75,000	200,000	400,000	3rd anniversary date
125,000	250,000	1,000,000	4th anniversary date
250,000	500,000	2,500,000	5th anniversary date
$ 520,000	1,400,000	$ 4,080,000	

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in
British Columbia

(c) **Findlay Project:** On May 5, 2023, the Company executed an option agreement with Amaroq Gold Corp. ("Amaroq"), a BC corporation, whereby Amaroq may earn up to a 75% interest in the Findlay Project, located NW of Kimberley, BC. The project is owned 100% by Eagle Plains, subject to underlying royalties. Under the terms of the agreement, Amaroq may earn a 60% interest by completing $5,000,000 in exploration expenditures, issuing 1,800,000 voting class common shares and making $500,000 in cash payments over a 4-year period. Amaroq may increase its interest to 75% by delivering a feasibility study by 2030. A 2% NSR is reserved for Eagle Plains. Payments are due as follows:

Cash Payments	Share Payments	Expenditures	Due Date
$ -	200,000	$ -	On signing the agreement (received)
-	-	100,000	September 30, 2023 (completed)
-	200,000	-	December 31, 2023 (received)
25,000	-	-	June 30, 2024
25,000	300,000	200,000	December 31, 2024
100,000	300,000	700,000	December 31, 2025
150,000	400,000	1,500,000	December 31, 2026
200,000	400,000	2,500,000	December 31, 2027
$ 500,000	1,800,000	$ 5,000,000	

(d) **Iron Range Project:** On May 5, 2020, the Company executed an option agreement with a private Alberta company ("AB"), whereby AB may earn up to an 80% interest in the Iron Range property located in south central British Columbia. Under the terms of the agreement, AB may earn a 60% interest (Phase I) by completing $3,500,000 in exploration expenditures and making cash payments totalling $250,000 to Eagle Plains over 5 years. AB retains the right to increase its interest to 80% by making a one-time cash payment of $1,000,000 to Eagle Plains within 90 days of completion of Phase I. Upon completion of the terms of the option agreement a joint venture will be formed as defined in the agreement. On August 2, 2023 the Company amended the agreement, extending the payment dates out by one year in consideration for AB not employing force majeure. Payments are due as follows:

Cash Payments	Exploration Expenditures	Due Date
$ 5,000	$ -	On signing of agreement May 4, 2020 (received)
15,000	150,000	May 4, 2021 (cash received/expenditures completed)
35,000	325,000	May 4, 2022 (cash received/expenditures completed)
50,000	650,000	May 4, 2024 (amended from 2023)
65,000	1,000,000	May 4, 2025
80,000	1,375,000	May 4, 2026
$250,000	$3,500,000	

Saskatchewan

(e) **Brownell Project:** On March 21, 2023, the Company executed an option agreement with Pacific Imperial Mines Inc. ("PPM") whereby PPM may earn up to a 60% interest in the Brownell Lake copper project, subject to a 2% underlying royalty. Under the terms of the agreement, PPM may earn its interest by completing $5,000,000 in exploration expenditures, issuing 1,000,000 voting class common shares and making $500,000 in cash payments over a 4-year period. Payments are due as follows:

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in - continued
Saskatchewan - continued

(e) **Brownell Project – continued:**

Cash Payments	Share Payments	Expenditures	Due Date
$ -	-	$ 100,000	May 1, 2023 (completed)
-	130,000	-	On Exchange acceptance (debt settlement in process)
25,000	130,000	-	December 31, 2023 (debt settlement in process)
50,000	130,000	200,000	December 31, 2024
100,000	130,000	700,000	December 31, 2025
125,000	200,000	1,500,000	December 31, 2026
200,000	280,000	2,500,000	December 31, 2027
$ 500,000	1,000,000	$ 5,000,000	

(f) **Cathro Project:** On February 10, 2020, the Company executed an agreement with SKRR Exploration Inc. ("SKRR") whereby SKRR has the exclusive right to acquire from Eagle Plains a 100% interest in the Cathro gold exploration project located in Saskatchewan. Under terms of the option agreement, SKRR may acquire a 100% interest in the Project by making a cash payment of $4,000 and transferring to EPL an initial 250,000 shares in the capital of SKRR on receipt of regulatory approval. SKRR has agreed to make additional share payments to EPL of 650,000 shares over a 4-year period. Eagle Plains will retain a 2.0% NSR Royalty with SKRR having the option to repurchase 1.0% of the NSR Royalty for $1.0 million. All payments have been completed as of February 22, 2023 and SKRR is deemed to have earned a 100% interest in the project.

(g) **Olson Project:** On October 24, 2019, the Company executed an option agreement with SKRR whereby SKRR may earn up to a 75% interest in the Olson property located in northern Saskatchewan. Under terms of the agreement, SKRR may earn 51% interest in the property by completing exploration expenditures of $1,500,000, making cash payments of $250,000 and issuing 800,000 voting class common shares to EPL over a 3-year period. SKRR may earn up to an additional 24% interest (75% total) in the property by making additional exploration expenditures of $1,500,000 and issuing 200,000 common shares of SKRR to Eagle Plains on or before December 31, 2023. All payments and requirements have been completed as of February 23, 2023, and SKRR is deemed to have earned a 75% interest in the project.

(h) **Pine Channel Project:** On May 11, 2021, the Company and Tri Capital Opportunities Corp. (subsequently renamed Apogee Minerals Ltd.) ("APO") executed a formal option agreement whereby APO may acquire up to an 80% interest in EPL's 100%-owned Pine Channel project located in Saskatchewan. To earn an 80% interest in the property, APO will complete $3,000,000 in exploration expenditures, issue 2,000,000 voting class common shares to Eagle Plains and make $150,000 in cash payments over a 4-year period. EPL will retain a 2.0% NSR Royalty on the property (subject to underlying royalties on certain areas of the property), which royalty may be purchased by APO at any time for $1,000,000. Upon completion of the terms of the option agreement a joint venture will be formed as defined in the agreement. On February 18, 2022, the due dates of the exploration expenditure commitments were extended by one year and the Company received $40,000 as consideration. On July 12, 2023, the due date for the $50,000 cash payment and $500,000 expenditure payments (due June 30, 2023) were amended to June 30, 2024 and the Company received 150,000 shares as consideration. Payments are as follows:

Cash Payments	Share Payments	Expenditures	Due Date
$ 25,000	200,000	$ -	On effective date – Dec 20, 2021 (received)
25,000	300,000	-	December 31, 2021 (received)
40,000	-	-	February 18, 2022 amendment (received)
-	-	100,000	June 30, 2022 (expended)
-	300,000	-	December 31, 2022 (received)
-	150,000	-	July 12, 2023 amendment (received)
50,000	500,000	-	December 31, 2023 (amendment in progress)
50,000	-	500,000	June 30, 2024 (amended from June 30, 2023)
-	-	800,000	June 30, 2024

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in - continued
Saskatchewan - continued

(h) **Pine Channel Project – continued:**

Cash Payments	Share Payments	Expenditures	Due Date
-	700,000	-	December 31, 2024
-	-	1,600,000	June 30, 2025
$ 190,000	2,150,000	$ 3,000,000	

(i) **Puzzle Lake**: On January 23, 2023, the Company and Canter Resources Corp. ("Canter") executed a formal agreement (subject to regulatory approval) whereby Canter holds the exclusive right to earn a 60% interest in EPL's 100%-owned Puzzle Lake project by completing $3,000,000 in exploration expenditures, making $250,000 in cash payments and issuing 1,000,000 common shares to Eagle Plains over a four-year period (see details below). A 2% NSR is reserved for Eagle Plains, which may be reduced to 1% upon payment of $1 million. An amendment dated December 21, 2023 was signed extending the payments due December 31, 2023 to March 31, 2024. The Company received notice on March 28, 2024 that Canter is terminating the option agreement.

(j) **Uranium Project:** On December 13, 2023, the Company executed six individual option agreements with Xcite Resources Inc. ("Xcite"), a BC corporation, whereby Xcite may earn up to an 80% interest in six individual uranium projects located near Uranium City in northern Saskatchewan. Under the terms of the agreement, Xcite may earn an 80% interest in each individual property by completing $3,200,000 in exploration expenditures, issuing 750,000 common shares of Xcite and making cash payments to Eagle Plains of $55,000 over four years, for an aggregate of $19,200,000 in exploration expenditures, 4,500,000 shares and $330,000 in cash to Eagle Plains. Upon Xcite fulfilling the terms of any or all of the earn-in agreements, an 80/20 joint venture will be formed, with Eagle Plains retaining a carried interest in all expenditures until delivery by Xcite or its assigns of a bankable feasibility study. During the option earn-in period, Xcite will be appointed as operator, and EPL will manage the exploration programs under the direction of a joint technical committee. The projects are owned 100% by EPL, who will retain an underlying 2% NSR royalty on the each of the properties, which may be reduced to 1% upon payment of $2 million.

Cash Payments	Share Payments	Expenditures		Due Date
$ 5,000	50,000	$ -	Times 6	On execution (received)
10,000	100,000	50,000	"	December 31, 2024
10,000	150,000	150,000	"	December 31, 2025
10,000	200,000	1,000,000	"	December 31, 2026
20,000	250,000	2,000,000	"	December 31, 2027
$ 55,000	750,000	$ 3,200,000	"	

Other Agreements

(k) **Dictator Project:** On September 29, 2020, Eagle Plains executed an option agreement with Aurum Vena Mineral Resources Corp. ("Aurum") whereby EPL may earn up to a 100% interest in the Dictator (formerly Lightning Peak) property located south of the Donna project. Under the terms of the agreement, EPL will make exploration expenditures totalling $150,000, cash payments of $70,000 and share payments of 250,000 shares over a five-year period to earn its interest. A one percent NSR Royalty will be reserved for the vendor, which may be purchased by Eagle Plains for $1,000,000. The Company notified Aurum on December 4, 2023 that it is terminating the agreement.

(Expressed in Canadian dollars)

8. Equity Instruments

(a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

(b) Issued and outstanding

At December 31, 2023, there were 115,057,227 (2022 – 110,465,727) shares outstanding.

- In the third quarter 2023, the Company issued 4,441,500 shares on the completion of a flow-through financing, receiving $888,300 in proceeds.
- In the second quarter 2023, the Company issued 150,000 shares for the exercise of options and warrants, receiving proceeds of $30,000, of which $7,500 was payable to ER per the spin-out transaction described in Note 18.
- In the fourth quarter 2022, the Company issued 50,000 shares, valued at $11,000, for the earn-in of a mineral property.
- In the third quarter 2022, the Company completed a flow-through financing, issuing 7,571,058 shares for proceeds of $1,287,080.
- In the first quarter 2022, the Company issued 1,160,000 shares for the exercise of options, receiving proceeds of $174,000, of which $58,000 was payable to Taiga Gold Corp. per the 2018 Plan of Arrangement.

(c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

During the years ended December 31, 2023 and 2022, the Company had the following stock option activities:

	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Balance, December 31, 2021	6,720,000	$0.15 - $0.20	$ 0.18
Granted	4,100,000	0.20	0.20
Exercised[1]	(1,160,000)	(0.15)	(0.15)
Expired	(100,000)	(0.15)	(0.15)
Cancelled	(1,075,000)	(0.15 – 0.20)	(0.19)
Balance, December 31, 2022	8,485,000	$0.15 – $0.20	$ 0.20

[1]The weighted average share price was $0.18 when the stock options were exercised.

	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Balance, December 31, 2022	8,485,000	$0.15 - 0.20	$ 0.20
Granted	2,487,000	0.24	0.24
Exercised [2]	(100,000)	(0.15)	(0.15)
Expired	(10,000)	(0.15)	(0.15)
Cancelled	(50,000)	(0.20 – 0.24)	(0.22)
Balance, December 31, 2023	**10,812,000**	**$0.15 - $0.24**	**$0.21**

[2]The weighted average share price was $0.22 when the stock options were exercised.

(Expressed in Canadian dollars)

8. Equity Instruments - continued

At December 31, 2023, the following table summarizes information about stock options outstanding:

Options Outstanding December 31, 2023	Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
495,000	$ 0.15	July 4, 2024	495,000	0.51 years
2,244,000	$ 0.20	May 29, 2025	2,244,000	1.41 years
1,871,000	$ 0.20	October 5, 2025	1,871,000	1.76 years
3,745,000	$ 0.20	January 14, 2027	3,745,000	3.04 years
2,457,000	$ 0.24	January 6, 2028	2,413,250	4.02 years
10,812,000			**10,768,250**	**2.59 years**

The weighted average remaining life of the outstanding stock options at December 31, 2023 is 2.59 years (2022 – 3.14 years).

(d) Share-based payments for share options

During the year ended December 31, 2023, $322,136 (2022 – $393,538) was recorded as share-based payments related to options issued and vested during the year. Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting year.

During the year ended December 31, 2023, the Company granted 2,487,000 (2022 – 4,100,000) options, exercisable at $0.24 (2022 - $0.20) with an expiry date of January 6, 2028 (2022 – January 14, 2027).

The Company valued the options granted in the year using the Black-Scholes model and the following weighted average assumptions:

	2023 Granted	**2022 Granted**
Expected annual volatility	**60.13%**	**67.04%**
Expected risk free rate	**3.13%**	**1.68%**
Expected term	**5 years**	**5 years**
Expected dividends	**-**	**-**
Share price at date of grant	**$0.22**	**$0.18**
Exercise price	**$0.24**	**$0.20**
Fair value on measurement date	**$0.11**	**$0.10**

Expected volatility is estimated using the historical stock price of the Company.

(e) Warrants outstanding

During the years ended December 31, 2023 and 2022, the Company had the following warrant activities:

	Number of Warrants	Exercise Price per Share Range
Balance, December 31, 2021	5,960,000	$0.30 - $0.40
Issued	3,785,529	0.25
Expired	(4,434,000)	(0.40)
Balance, December 31, 2022	5,311,529	$0.25 - $0.30

	Number of Warrants	Exercise Price per Share Range
Balance, December 31, 2022	5,311,529	$0.25 - $0.30
Issued	2,220,750	0.30
Exercised	(50,000)	(0.30)
Balance, December 31, 2023	**7,482,279**	**$0.25 - $0.30**

(Expressed in Canadian dollars)

8. Equity Instruments - continued

At December 31, 2023, the following table summarizes information about warrants outstanding:

Warrants Outstanding December 31, 2023	Exercise Price	Expiry Date	Weighted Average Remaining Life
1,476,000 [1]	$ 0.30	September 25, 2024	0.74 years
3,785,529	$ 0.25	July 11, 2024	0.53 years
2,220,750	$ 0.30	August 2, 2025	1.59 years
7,482,279			**0.88 years**

[1] On August 19, 2023 the Company extended the warrants expiry date from September 25, 2023 to a revised date of September 25, 2024. All other terms remain unchanged.

(f) Financings

On August 2, 2023, the Company closed a non-brokered public offering. The financing was offered to arms-length and non-arm's length investors and was comprised of 4,441,500 flow-through units at a price of $0.20 per unit for gross proceeds of $888,300. Each unit consists of a flow-through common share and one-half non-flow-through common share purchase warrant, each whole warrant exercisable at $0.30 for a 24-month year. The common share purchase warrants are subject to an accelerated expiry at the option of the Company if the published closing trade price of the common shares on the TSX Venture Exchange is greater than or equal to $0.50 for any 20 consecutive trading days, in which event the holder may be given notice that the warrants will expire 30 days following the date of such notice. The common share purchase warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the common share purchase warrants.

On issuance, the Company bifurcated the flow-through share into i) a flow-through share premium in the amount $44,415, equal to the estimated premium investors pay for the flow-through feature, which is recognized as an other liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the other liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

On July 11, 2022, the Company closed a non-brokered public offering. The financing was offered to arms-length and non-arm's length investors and was comprised of 7,571,058 flow-through units at a price of $0.17 per unit for gross proceeds of $1,287,080. Each unit consists of a flow-through common share and one-half non-flow-through common share purchase warrant, each whole warrant exercisable at $0.25 for a 24-month period. The common share purchase warrants are subject to an accelerated expiry at the option of the Company if the published closing trade price of the common shares on the TSX Venture Exchange is greater than or equal to $0.50 for any 20 consecutive trading days, in which event the holder may be given notice that the warrants will expire 30 days following the date of such notice. The common share purchase warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the common share purchase warrants.

On issuance, the Company bifurcated the flow-through share into i) a flow-through share premium in the amount $151,421, equal to the estimated premium investors pay for the flow-through feature, which is recognized as an other liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the other liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

9. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the year ended December 31, 2023 of 112,402,598 shares and the year ended December 31, 2022 of 106,399,938 shares. Options and warrants were excluded for 2022 as their effect on the calculation is anti-dilutive. The net effect of applying the treasury-stock method to the weighted average number of shares outstanding did not impact EPS significantly for 2023.

(Expressed in Canadian dollars)

10. Related Party Transactions

The Company was involved in the following related party transactions during the year:

(a) The Company was related to Taiga Gold Corp. ("Taiga") through common directors until April 14, 2022. During the year the Company had the following transactions with the former related company:

	2023	2022
Administrative services provided by EPL	**$ -**	$ 16,879
Costs reimbursed to EPL	**-**	15,258
Exploration services provided by EPL	**-**	44,486
Proceeds to Taiga from exercise of EPL options	**-**	(58,000)
	$ -	$ 18,623

(b) The Company is related to ER through common directors starting May 19, 2023. During the year, the Company had the following transactions with the related company:

	2023
Administrative services provided by EPL	$ 16,068
Costs reimbursed to EPL	47,230
Interest received from ER	8,836
Spin-out costs due to EPL	432,387
Proceeds to ER from exercise of EPL options/warrants	(7,500)
	$ 497,021

At December 31, 2023, $15,925 is included in accounts receivable.
At December 31, 2023, $528,637 is included in due from related party.

(c) Compensation to key management personnel in the year:

	2023	2022
Administration costs		
Management fees	**$ 119,990**	$ 195,374
Wages and benefits	**107,964**	144,318
Director fees	**32,500**	-
Professional fees	**50,000**	88,000
Share-based payments	**142,340**	214,500
	$ 452,794	$ 642,192

(d) Included in administration costs is $119,990 (2022 - $195,374) paid or accrued for management services to a company owned by a director and officer of the Company.

(e) Included in administration costs is $107,964 (2022 - $144,318) paid or accrued for wages and benefits to a director and officer of the Company.

(f) Included in professional fees is $50,000 (2022 - $88,000) paid or accrued for accounting services to a director and officer of the Company.

(g) Director fees of $32,500 (2022 - $nil) were paid or accrued to two directors of the Company.

(h) The Company granted 1,100,000 (2022 – 2,200,000) options, with an exercise price of $0.24 (2022 - $0.20) and expiry date of January 6, 2028 (2022 – January 14, 2027), to directors of the Company and recorded share-based payments of $142,340 (2022 - $214,500).

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise specified.

(Expressed in Canadian dollars)

11. Commitments and Contingencies

The Company has $186,258 (2022 - $127,778) held as project reclamation bonds in favor of regulatory authorities. The amount of the deposit is determined at the time the exploration program is planned and a notice of work is submitted to the regulatory authority. If the work is more extensive than previously planned, the amount of the deposit will be increased. When reclamation work is completed on a project to the satisfaction of the regulatory authority, the deposit is released to the Company. The Company also holds project reclamation deposits collected from its customers in the amount $56,269 (2022 - $56,269) for their exploration properties.

As at December 31, 2023, the Company had remaining flow-though commitments of $nil (2022 - $77,593).

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification. The Company has included in officers' management contracts a change of control clause that would entitle them to compensation of approximately twenty-four (24) months' salary should such an event occur.

12. Financial Instruments

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	**$ 7,772,968**	**$ -**	**$ -**	**$ 7,772,968**
Investments	**$ 1,344,633**	**$ -**	**$ -**	**$ 1,344,633**

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 9,489,798	$ -	$ -	$ 9,489,798
Investments	$ 607,290	$ -	$ -	$ 607,290

As disclosed in Note 3(c), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations exposes the Company to concentration risk, credit risk, currency risk, price risk and commodity price risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) <u>Concentration risk</u>
At December 31, 2023 and 2022, substantially all of the Company's cash and cash equivalents was held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions. Concentration risk also exists in marketable securities (investments) because the Company's investments are primarily in shares of junior resource companies involved in gold exploration.

12. Financial Instruments - continued

b) Credit risk

The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness.

The maximum credit exposure associated with accounts receivable is the carrying value on the consolidated statement of financial position.

The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit loss at each reporting date. Lifetime expected credit loss is calculated based on management's assessment of the historical credit loss experience, adjusted for forward looking factors specific to the individual debtors as well as the overall economic environment, if applicable. A full allowance specifically is provided when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the counterparty to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

c) Currency risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At December 31, 2023, the Company had cash of $4,074 (December 31, 2022 - $6,163) in US$. The Company is not exposed to significant currency risk.

d) Price risk

The Company's investments designated as FVTPL are traded on the TSX Venture, NYSE,TSE and CSE. A 1% change in the cumulative quoted share price would change the fair value of the investments by approximately $13,000 (December 31, 2022 - $6,000). The change would be recorded in profit or loss.

e) Commodity price risk

The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

f) 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 to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of December 31, 2023 equal $211,636. $155,367 of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of December 31, 2023.

13. Supplemental Cash Flow Information

Non-cash investing and financing activities:

(a) Pursuant to certain mineral property option agreements, the Company received 7,029,069 (2022 – 2,750,000) shares with an attributed value of $119,168 (2022 - $108,250).

(b) Pursuant to a sale of mineral claims, the Company received 1,284,566 shares with an attributed value of $231,250.

(c) Pursuant to the Plan of Arrangement to spin out ER, the Company received ER shares, of which 5,176,425 shares with an attributed value of $931,756 were retained by the Company.

(d) Included in accounts payable and accrued liabilities is $28,605 (2022 - $59,096) related to exploration and evaluation assets.

(Expressed in Canadian dollars)

14. Disaggregation of Revenue

The Company earns revenue from the performance of one type of service, being geological and exploration services. Further, its customers are exploration companies based in Canada.

15. Capital Management

The Company includes cash and cash equivalents and shareholders' equity, comprising of issued common shares, accumulated other comprehensive income (loss), contributed surplus and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended December 31, 2023 and 2022. The Company is not subject to externally imposed capital requirements.

16. Subsequent Event

On February 26, 2024, the Company and Refined Metals Corp. ("RMC") entered into an option agreement pursuant to which Refined has been granted the exclusive right to acquire up to a 75% interest in the 100% owned Dufferin project. To exercise the option, RMC must make a series of cash payments and share issuances to Eagle Plains and fund exploration expenditures on the project. These payments, share issuance and expenditures are separated into two phases, with the first option entitling the Company to acquire a 60% interest in the project by paying $275,000, issuing an aggregate of 1,000,000 post-consolidated common shares to EPL and funding $2,600,000 in exploration expenditures on the project by December 31, 2026. Pursuant to the second phase of the option, the Company may acquire an additional 15% interest in the project (for a 75% total interest) by paying an additional $500,000, issuing an additional 500,000 post-consolidated common shares to EPL and funding an additional $3,000,000 in exploration expenditures on the project by December 31, 2028. If the first option or the second option is exercised, a 2% NSR Royalty will be granted to Eagle Plains, 1% of which may be repurchased for $2,000,000.

17. Income Taxes

As of December 31, 2023 and 2022, the effective tax rate of income varies from the statutory rate as follows:

	2023	2022
Income (loss) before income taxes	$6,658,894	$(568,457)
Statutory tax rates	27.0%	27.0%
Tax expense (recovery) at statutory rate	1,798,000	(153,000)
Non-deductible expenses/(non taxable income)	(1,777,000)	146,000
Impact of flow-through shares and other	285,000	326,000
Previously unrecognized tax benefits used to offset current tax expense	(21,000)	-
Tax benefits (recognized) unrecognized	(285,000)	(319,000)
Deferred income tax recovery	$ -	$ -

(Expressed in Canadian dollars)

17. Income Taxes - continued

The summary of the Company's deductible temporary differences, unused tax losses, and unused tax credits is as following:

	2023	Expiry	2022	Expiry
Non-capital tax losses	$ 1,301,000	2036-2038	$ 524,000	2034 - 2042
Allowable capital losses	$ 681,000	None	$ 144,000	None
Exploration and evaluation assets	$ 1,503,000	None	$ 3,654,000	None
Investments and other	$ 1,776,000	None	$ 2,316,000	None
Share issuance costs	$ 14,000	2024 - 2027	$ 4,000	2023 - 2026

18. Spin-out Transaction

On February 28, 2023, Eagle Plains entered into the following agreements:

- an arrangement agreement (the "Arrangement Agreement") between Eagle Plains and its wholly owned subsidiary, ER, pursuant to which Eagle Plains will, through a series of transactions, transfer a majority of its portfolio of royalty interests (the "Royalties") and cash of approximately $104,000 to ER (the "Spin-out Transaction"); and
- an amalgamation agreement (the "Amalgamation Agreement") among Eagle Plains, ER and 2513756 Alberta Ltd., formerly 1386884 BC Ltd. ("138"), pursuant to which 138 and ER will, immediately following the Spin-out Transaction, amalgamate and continue as one company (the "Resulting Issuer") under the name "Eagle Royalties Ltd." (the "Combination Transaction").

Under the Arrangement Agreement, for every Eagle Plains warrant or option outstanding as of Spin-out Transaction completion date that is exercised subsequently, ER has to issue 1/3 of a common share and will receive 1/3 proceeds from the warrant or option exercise.

The Spin-out Transaction and the Combination Transaction are collectively referred to herein as the "Transaction" and was completed on May 19, 2023.

Pursuant to the Spin-out Transaction, ER issued an aggregate of 41,998,333 common shares to the Company (the "Spinco Shares") as consideration for royalty interests with a nominal carrying value and $103,528 cash from EPL. Of the total Spinco Shares so issued, 5,176,425 Spinco Shares were retained by Eagle Plains and the remaining Spinco Shares (i.e., 36,821,908) were distributed to shareholders of the Eagle Plains by way of a return on capital on a 1:3 basis. In accordance with the Arrangement Agreement, Spinco Shares are subject to escrow considerations whereby 20% of the total distributed shares would be released at the closing of the Transaction and 20% every 90 days thereafter over one year.

Upon completion of the distribution, the Company lost control of ER and therefore deconsolidated it from its consolidated financial statements. The Company derecognized the assets and liabilities of ER, recognized a distribution of shares as a reduction to share capital at the estimated fair value of distributed shares on May 19, 2023 of $6,627,944, and recognized a gain on distribution of ER shares of $7,945,214. The fair value of the distributed ER shares was determined based on the share price of the Concurrent Financing, less a discount calculated using the Black-Scholes option pricing model to incorporate the effect of the escrow period, which is considered a Level 3 measurement.

The portion of the gain attributable to measuring the 12.3% investment in ER (prior to the Combination Transaction) at fair value is $979,645.

(Expressed in Canadian dollars)

18. Spin-out Transaction - continued

The following is a table showing the net assets (liabilities) of ER prior to the Spin-out Transaction:

	May 18, 2023
Cash	$ 18,859
Prepaid expenses	6,272
GST receivable	4,689
Accounts payable and others	(143,862)
Due to Eagle Plains	(375,000)
	$ (489,042)

Concurrent with the Transaction, 138 completed a private placement financing (the "Concurrent Financing") raising gross proceeds of $3,003,598 through the issuance of 10,011,978 units at a price of $0.30 per unit. In connection with the Concurrent Financing, 138 paid commissions in cash and issued broker's warrants.

Pursuant to the Combination Transaction, ER and 138 amalgamated, whereby each entity's shares and warrants were exchanged for shares and warrants of the Resulting Issuer on 1:1 basis. Following the completion of the Combination Transaction, the Resulting Issuer made an application for the listing of its common shares on the Canadian Securities Exchange, which commenced trading on May 25, 2023.

(Expressed in Canadian dollars)

Schedule 1 - Exploration and evaluation assets

	December 31 2022	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Write down of mineral properties	**December 31 2023**
British Columbia	$1,363,568	$1,995,821	$(278,099)	$ 7,500	$(380,267)	**$2,708,523**
NW Territories	8	30,394	-	-	(30,379)	**23**
Saskatchewan	122,343	130,132	(241,668)	228,893	(230,460)	**9,240**
Yukon Territory	10	16,917	-	-	(16,879)	**48**
	$1,485,929	$2,173,264	$(519,767)	$236,393	$(657,985)	**$2,717,834**

	December 31 2021	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Write down of mineral properties	December 31 2022
British Columbia	$198,405	$1,328,280	$(245,134)	$82,017	$ -	$1,363,568
NW Territories	183	5,235	-	-	(5,410)	8
Saskatchewan	304,746	132,041	(251,750)	173,100	(235,794)	122,343
Yukon Territory	2,140	1,718	-	-	(3,848)	10
	$505,474	$1,467,274	$(496,884)	$255,117	$(245,052)	$1,485,929

(Expressed in Canadian dollars)

Schedule 2 – Acquisition and exploration additions

January – December 2023	British Columbia	Saskatchewan	NWT	Yukon	Total
Analytical	$129,064	$ 707	$ -	$ -	$129,771
Environment and consultations	20,696	4,000	7,078	-	31,774
Drilling	820,657	-	-	-	820,657
Equipment rental	17,069	4	65	65	17,203
Geological and geochemical	71,584	2,363	82	83	74,112
Geophysical	46,567	23,656	-	-	70,223
Labour	291,086	29,604	6,827	7,075	334,592
Travel and camp	115,532	8,983	15,048	2,476	142,039
Transportation	364,618	16,139	994	6,760	388,511
Tenure and acquisitions	118,948	44,676	300	458	164,382
	$1,995,821	**$130,132**	**$30,394**	**$16,917**	**$2,173,264**

January – December 2022	British Columbia	Saskatchewan	NWT	Yukon	Total
Analytical	$ 89,156	$ 24,577	$ -	$ -	$ 113,733
Environment and consultations	575	4,479	5,235	-	10,289
Drilling	449,480	-	-	-	449,480
Equipment rental	17,644	532	-	-	18,176
Geological and geochemical	11,211	1,094	-	796	13,101
Geophysical	79,386	34,000	-	-	113,386
Labour	186,817	33,380	-	-	220,197
Travel and camp	102,217	7,874	-	-	110,091
Transportation	276,467	21,543	-	-	298,010
Tenure and acquisitions	115,327	4,562	-	922	120,811
	$1,328,280	$132,041	$5,235	$1,718	$1,467,274