Delta Resources Limited

(An exploration stage company)
Financial Statements

December 31, 2023 and 2022

Page

KPMG LLP
Tour KPMG
600 de Maisonneuve Blvd West, Suite 1500
Montréal, QC H3A 0A3
Canada
Telephone 514 840 2100
Fax 514 840 2187

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Delta Resources Limited

Opinion

We have audited the financial statements of Delta Resources Limited (the "Entity"), which comprise:

- the statements of financial position as at December 31, 2023 and 2022
- the statements of net loss and other comprehensive loss for the years then ended
- the statements of changes in equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023 and 2022, and its financial performance and its 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 Financial Statements*"** section of our auditor's report.

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

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

Material Uncertainty Related to Going Concern

We draw attention to note 2 in the financial statements, which indicates that that the Entity is still in the exploration stage and, as such, no revenue has been generated and it has negative cash flows from its operating activities. Accordingly, the Entity depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of operations.

As stated in note 2 in the financial statements, these events or conditions, along with other matters as set forth in note 2 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Other Information

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

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

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

We obtained the information included in Management’s Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this auditor’s report is Nathalie Labelle.

KPMG LLP*

Montréal, Canada

April 15, 2024

*CPA auditor, public accountancy permit No. A119245

(In Canadian dollars)

	As at December 31, 2023 $	As at December 31, 2022 $
ASSETS		
Current assets:		
Cash and cash equivalents (Note 6)	**6,098,012**	2,992,299
Other receivables	**6,786**	21,296
Grants receivable	**340,000**	140,000
Sales tax receivable	**254,654**	86,889
Refundable tax credit on mining duties and refundable tax credit related to resources	**-**	160,541
Prepaid expenses	**95,301**	66,192
	6,794,753	3,467,217
Non-current assets:		
Property and equipment (Note 7)	**19,190**	4,738
	19,190	4,738
Total assets	**6,813,943**	3,471,955
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities (Notes 8 and 14)	**992,830**	533,516
Other liabilities related to flow-through shares (Note 9)	**115,185**	325,754
Current portion of the long-term debt (Note 10)	**-**	30,000
Total liabilities	**1,108,015**	889,270
EQUITY		
Common shares and warrants (Note 11)	**47,649,454**	38,259,528
Contributed surplus	**8,906,027**	8,066,503
Deficit	**(50,849,553)**	(43,743,346)
Total equity	**5,705,928**	2,582,685
Total liabilities and equity	**6,813,943**	3,471,955

Going concern, related party transactions, contingent liabilities, commitments and subsequent events (Notes 2, 15, 16, 17 and 21).

These financial statements were approved by the Company’s board of directors on April 15, 2024.

”Frank Candido”

Frank Candido, Director

” Sara Paquet”

Sara Paquet, Director

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

Statements of net loss and comprehensive loss
For the years ended December 31,
(In Canadian dollars)

	2023	2022
	$	$
Operating Expenses		
Exploration and evaluation expenditures (Note 12)	**6,571,354**	3,453,334
Shareholders' information	**127,724**	96,692
Legal, financial and other corporate expenses	**627,456**	331,966
Management fees (Note 15)	**142,000**	60,000
General and administrative expenses	**259,056**	161,639
Depreciation of property and equipment (Note 7)	**5,659**	1,835
Share-based compensation (Note 11)	**597,497**	320,387
Other	**27,586**	3,513
	8,358,332	4,429,366
Other Income		
Interest income	**184,396**	8,355
Gain on disposal of property and equipment	**-**	176,325
Other revenues	**-**	1,630
	184,396	186,310
Loss before income taxes	**(8,173,936)**	(4,243,056)
Income taxes recovery (Note 13)	**1,067,729**	300,030
Loss and comprehensive loss for the year	**(7,106,207)**	(3,943,026)
Basic and fully diluted loss per common share (Note 19)	**(0.077)**	(0.078)
Weighted average number of shares outstanding (Note 19)	**91,765,537**	50,332,886

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

(In Canadian dollars)

	2023	2022
	$	$
CASH PROVIDED BY (USED IN):		
Operating activities:		
Net loss and comprehensive loss for the year	**(7,106,207)**	(3,943,026)
Items not involving cash:		
Share-based compensation	**597,497**	320,387
Depreciation of property and equipment	**5,659**	1,835
Share issuance in consideration of exploration and evaluation expenditures (Note 11)	**141,700**	190,000
Income taxes recovery	**(1,067,729)**	(300,030)
Gain on disposal of property	**-**	(176,325)
	(7,429,080)	(3,907,159)
Net change in non-cash operating working capital items (Note 14)	**237,490**	429,037
Cash flows related to operating activities	**(7,191,590)**	**(3,478,122)**
Investing activities:		
Acquisition of property and equipment	**(20,111)**	(6,184)
Disposal	**-**	226,600
Cash flows related to investing activities	**(20,111)**	**220,416**
Financing activities:		
Repayment of long-term debt	**(30,000)**	-
Issuance of common shares and warrants	**10,450,170**	2,771,430
Proceeds from the exercise of stock options, warrants and brokers warrants	**780,146**	-
Share issue costs	**(882,902)**	(134,161)
Cash flows related to financing activities	**10,317,414**	**2,637,269**
Increase (decrease) in cash and cash equivalents	**3,105,713**	(620,437)
Cash, beginning of year	**2,992,299**	3,612,736
Cash and cash equivalents, end of year	**6,098,012**	2,992,299

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

Delta Resources Limited

(An exploration stage company)
Statements of Changes in Equity
For the years ended December 31,
(In Canadian dollars)

	Common shares (note 11)	Common shares and warrants $ (note 11)	Contributed surplus $ (note 11)	Deficit $	Total $
Balance, January 1, 2023	**73,444,508**	**38,259,528**	**8,066,503**	**(43,743,346)**	**2,582,685**
Common shares and warrants issuance	**23,865,400**	**9,593,010**	**-**	**-**	**9,593,010**
Stock options issued	**-**	**-**	**597,497**	**-**	**597,497**
Stock options exercised	**800,000**	**244,535**	**(101,535)**	**-**	**143,000**
Common share issuance in consideration of exploration and evaluation expenditures	**380,000**	**141,700**	**-**	**-**	**141,700**
Warrants exercised	**3,003,930**	**575,983**	**-**	**-**	**575,983**
Broker warrants issued	**-**	**-**	**353,821**	**-**	**353,821**
Broker warrants exercised	**244,650**	**71,421**	**(10,259)**	**-**	**61,162**
Share issue costs	**-**	**(1,236,723)**	**-**	**-**	**(1,236,723)**
Net loss and comprehensive loss for the year	**-**	**-**	**-**	**(7,106,207)**	**(7,106,207)**
Balance, December 31, 2023	**101,738,488**	**47,649,454**	**8,906,027**	**(50,849,553)**	**5,705,928**
Balance, January 1, 2022	49,226,674	35,793,654	7,710,475	(39,800,320)	3,703,809
Common shares and warrants issuance	22,817,834	2,445,676	-	-	2,445,676
Stock options issued	-	-	320,387	-	320,387
Common share issuance in consideration of exploration and evaluation expenditures	1,400,000	190,000	-	-	190,000
Broker warrants issued	-	-	35,641	-	35,641
Share issue costs	-	(169,802)	-	-	(169,802)
Net loss and comprehensive loss for the year	-	-	-	(3,943,026)	(3,943,026)
Balance, December 31, 2022	73,444,508	38,259,528	8,066,503	(43,743,346)	2,582,685

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

1. Statute of incorporation and nature of activities

Delta Resources Limited (the "Company") is a corporation continued under the *Business Corporations Act* (Ontario) incorporated on January 19, 1946. The Company changed its name to Delta Resources Limited from Golden Hope Mines Limited in June 2019. The Company's principal operations are mining properties and exploration expenditures made on properties that are not in commercial production. The Company is exploring its mining properties and has not determined whether or not the properties contain economically recoverable resources. The address of the registered office is 1718, Christine Crescent, Kingston, Ontario, Canada, K7L 4V4.

The Company's common shares are traded on the TSX Venture Exchange under the symbol DLTA, on the Over-The-Counter Bulletin Board (OTCBB) under the symbol DTARF and on the Frankfurt Stock Exchange under the symbol 6G01.

2. Going concern

The Company has not yet determined whether its mining properties contain mineral deposits that are economically recoverable. The recoverability of mining properties is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; and the ability to obtain the financing required to complete exploration, evaluation, development and construction or the proceeds from the sale of such assets.

The Company had recurring losses in the current and prior years, including a net loss of $7,106,207 for the year ended December 31, 2023, has an accumulated deficit of $50,849,553 (2022 - $43,743,346) since its inception, and expects to incur further losses in the development of its business. Further, the business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in the discovery of economically recoverable reserves and resources and/or profitable mining operations.

In addition to ongoing working capital requirements, the Company must secure sufficient funding for the exploration and evaluation programs and pay general and administrative costs. The Company's ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. As at December 31, 2023, the Company has a working capital of $5,686,738 (2022 - $2,577,947). Management estimates that funds on hand will not be sufficient to meet the Company's obligations and commitments and to pursue and complete the development of its mining properties. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

The conditions and uncertainties described above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's business plan is dependent on raising additional funds to finance operations within and beyond the next 12 months. Any funding shortfall may be met in the future in a number of ways, including, but not limited to, the issuance of new debt or equity instruments, reduction in expenditures and/or the introduction of joint venture partners and/or business combinations on terms which are acceptable to the Company. Although the Company has been successful in the past at raising funds, there can be no assurance the Company will be able to secure financing in the future or that these sources of funding will be available.

The accompanying financial statements have been prepared using assumptions applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

3. Statement of compliance with IFRS

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). On April 15, 2024 the Board of Directors approved, for issuance, theses financial statements.

4. Material Accounting Policy Information

Basis of measurement

These financial statements have been prepared on the historical cost basis except for share-based compensation transactions, which are measured at fair value at grant date pursuant to IFRS 2, Share-Based payment.

Refundable tax credit on mining duties and refundable tax credit related to resources

The Company is eligible for a refundable credit on mining duties under the Québec *Mining Tax Act*. This refundable credit on mining duties is equal to 16% applicable tax on 50% of the eligible expenses. The accounting treatment for refundable credits on mining duties depends on management's intention to either go into production in the future or to sell its mining properties to another mining producer once the technical feasibility and the economic viability of the properties have been demonstrated. This assessment is made at the level of each mining property.

In the first case, the credit on mining duties is recorded as an income tax recovery under IAS 12, *Income Taxes*, which generates a deferred tax liability and deferred tax expense since the exploration and evaluation assets have no tax basis following the Company's election to claim the refundable credit.

In the second case, it is expected that no mining duties will be paid in the future and, accordingly, the credit on mining duties is recorded against exploration and evaluation assets.

The Company is also eligible for a refundable tax credit related to resources for mining industry companies in relation to eligible expenses incurred. The refundable tax credit related to resources can represent up to 38.75% for eligible expenses incurred, thereafter is recorded as a government grant against exploration and evaluation assets.

The credits related to resources and credits for mining duties recognized against exploration and evaluation expenditures are initially recorded at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant.

Leases

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Government grant

Government grant is recognized when there is reasonable assurance of their recovery and recorded as a reduction of the related expense or cost of the asset acquired or as other income, as applicable.

Mining properties

Exploration and evaluation expenditure are costs incurred in the course of the initial search of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrated.

4. Material Accounting Policy Information – Cont'd

Mining properties – Cont'd

Costs related to exploration and evaluation of mineral properties, option and lease payments and costs of acquiring mineral rights are recognized in profit or loss as incurred. The cost of exploration and evaluation expenditures acquired in exchange of common shares of the Company are recognized at the closing market price of the common shares at the acquisition transaction date.

Any option payments or proceeds from the sale of royalty interests received by the Company are recorded as income in the period received.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the project by the acquirer. In addition, the cash or the closing market price at the transaction date of the common shares consideration received directly from the acquirer is recognized as proceeds relating to the grant of options on mining projects in profit or loss.

Income taxes

Income tax expense represents current tax and deferred tax. The Company records current tax based on the taxable profits for the year, which is calculated using tax rates that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax

Deferred income taxes are accounted for using the liability method that requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax assets and liabilities are determined for each temporary difference based on currently enacted or substantially enacted tax rates that are expected to be in effect when the underlying items of income or expense are expected to be realized. The effect of a change in tax rates or tax legislation is recognized in the year of substantive enactment. Deferred tax assets, such as non-capital loss carry-forwards or deductible temporary difference, are recognized to the extent it is probable that taxable profit will be available against which the asset can be utilized. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax assets and liabilities are offset only when the Company has a right and intention of set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, except where they are related to items that are recognized in other comprehensive loss or directly in equity, in which case the related deferred tax is also recognized in other comprehensive loss or equity, respectively.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments such as common shares and warrants issued by the Company are recorded under common shares and warrants caption at the proceeds received, net of direct issue costs.

Contributed surplus includes charges related to broker warrants and stock options compensation. When stock options are exercised, the related compensation cost is transferred to share capital.

4. Material Accounting Policy Information – Cont'd

Share-based compensation and broker warrants

The Company applies a fair value-based method of accounting to all share-based payments. Employee and director stock options are measured at their fair value of each tranche on the grant date and recognized in its respective vesting period. The Company also provides for an estimate of the forfeiture rates in determining the total stock-based compensation expense.

Non-employee stock options and warrants are measured when the services are rendered by the consultant at the fair value of the services received, if the fair value can be measured reliably. In the case the fair value of the services cannot be measured reliably, the services are measured indirectly using the fair value of the equity instruments granted. If there are unidentifiable services, then they are measured at grant date. The cost of stock options is presented as share-based payment expense. On the exercise of stock options, share capital is credited for the consideration received and for the fair value amounts previously credited to contributed surplus.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of share-based payments.

Flow-through shares

The Federal and Provincial tax legislation permits an entity to issue securities to investors whereby the deductions for tax purposes relating to resource expenditures may be claimed by the investors and not by the entity. These securities are referred to as flow-through shares. The Company finances a portion of its exploration programs with flow-through shares.

At the time of the issuance of flow-through shares, the Company allocates the proceeds between share capital and an obligation to deliver the tax deductions, which is recorded as a liability related to flow-through shares. The Company estimates the fair value of the liabilities related to flow-through shares using the residual method, deducting the quoted closing price of the common shares from the price of the flow-through shares at the date of the financing.

The liability related to flow through shares recorded is reversed on renouncement of the right to tax deductions to the investors or when the Company has the intention to renounce of tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income taxes expense.

Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted loss per share is computed using the weighted average number of common and potential common shares outstanding during the year. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and warrants using the treasury stock method.

Segment reporting

The Company presents and discloses segment information based on the internal reports that are regularly reviewed by the Board of Directors in order to assess each segment's performance. In this regard, the Company conducts its business in a single operating segment, being the acquisition, exploration and development of exploration properties.

4. Material Accounting Policy Information – Cont'd

Financial instruments

Financial assets and financial liabilities at amortized cost

Classification of assets

The Company classifies financial instruments in accordance with IFRS 9. The Company's cash, other receivable, accounts payable, accrued liabilities and long-term debt are classified and measured at amortized cost.

Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The fair values of the Company's financial assets and liabilities classified in this category approximate their carrying amounts due to their short-term nature.

Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognized at cost on the trade date – the date on which the Company commits to purchase or sell the investment. Transaction costs are expensed as incurred in the statement of comprehensive income (loss). Financial assets are derecognized when the rights to receive cash flows have expired or the Company has transferred substantially all risks and rewards of ownership. Subsequent to initial recognition, all financial assets and financial liabilities are measured at amortized cost using the effective interest rate method. The update is committed if its effect is not significant.

5. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions based on currently available information that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from those estimated. By their very nature, these estimates are subject to measurement uncertainty and the effect of any changes in estimates on the financial statements of future periods could be material.

In the process of applying the Company's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the financial statements.

Critical judgments in applying accounting policies

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is a material uncertainty regarding the Company's ability to continue as a going concern.

(in Canadian dollars)

6. Cash and cash equivalents

	December 31, 2023	December 31, 2022
	$	$
Cash	**1,698,012**	2,992,299
Cash equivalents	**4,400,000**	-
	6,098,012	2,992,299

Cash equivalents consist of guaranteed investment certificate issued by a Canadian financial institution, bearing interest at rates of 4.92%, and maturing in January 2024.

7. Property and equipment

	Equipment	**Computer**	**Total**
	$	$	$
2023			
Cost:			
Balance at January 1	**2,990**	**4,744**	**7,734**
Additions	**7,082**	**13,029**	**20,111**
Balance at December 31	**10,072**	**17,773**	**27,845**
Accumulated Depreciation:			
Balance at January 1	**(435)**	**(2,561)**	**(2,996)**
Additions	**(1,875)**	**(3,784)**	**(5,659)**
Balance at December 31	**(2,310)**	**(6,345)**	**(8,655)**
Net book value	**7,762**	**11,428**	**19,190**

	Building	**Land**	**Equipment**	**Computer**	**Total**
	$	$	$	$	$
2022					
Cost:					
Balance at January 1	**41,712**	**25,351**	**-**	**1,550**	**68,613**
Additions	**-**	**-**	**2,990**	**3,194**	**6,184**
Disposal	**(41,712)**	**(25,351)**	**-**	**-**	**(67,063)**
Balance at December 31	**-**	**-**	**2,990**	**4,744**	**7,734**
Accumulated Depreciation:					
Balance at January 1	**(16,540)**	**-**	**-**	**(1,409)**	**(17,949)**
Additions	**(248)**	**-**	**(435)**	**(1,152)**	**(1,835)**
Disposal	**16,788**	**-**	**-**	**-**	**16,788**
Balance at December 31	**-**	**-**	**(435)**	**(2,561)**	**(2,996)**
Net book value	**-**	**-**	**2,555**	**2,183**	**4,738**

(in Canadian dollars)

8. Accounts payable and accrued liabilities

	December 31, 2023 $	December 31, 2022 $
Trade payables	**905,430**	516,397
Payables to related parties (note 15)	**3,833**	10,488
Government remittance	**28,534**	3,513
Accruals	**55,033**	3,118
	992,830	533,516

9. Other liabilities related to flow-through shares

	December 31, 2023 $	December 31, 2022 $
Balance, beginning of year	**325,754**	300,030
Increase in the year	**857,160**	325,754
Decrease related to the incurring of expenses	**(1,067,729)**	(300,030)
Balance, end of year	**115,185**	325,754

Other liabilities related to flow-through shares represents the renunciation of tax deductions to investors following flow-through shares financing.

During the year ended December 31, 2023, the Company committed to pay, before December 31, 2024, $4,500,090 in eligible exploration and evaluation expenses, in accordance with the *Income Tax Act* of Canada and the *Taxation Act* of Québec, and to transfer these tax deductions to investors in flow-through share investments completed in 2023. In connection with this commitment, the Company incurred cumulative eligible expenses of $3,895,369 as at December 31, 2023.

During the year ended December 31, 2022, the Company committed to pay, before December 31, 2023, $1,812,931 in eligible exploration and evaluation expenses, in accordance with the *Income Tax Act* of Canada and the *Taxation Act* of Québec, and to transfer these tax deductions to investors in flow-through share investments completed in 2022. As at December 31, 2023, the Company has fulfilled all its obligations by incurring a cumulative eligible amount of $1,812,931 in exploration and evaluation expenditures in 2022 and 2023.

The disallowance of certain expenses by tax authorities could have negative tax consequences for investors or the Company. In such an event, the Company would indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.

10. Long-term debt

	December 31, 2023 $	December 31, 2022 $
Balance, beginning of year	**30,000**	30,000
Repayment	**(30,000)**	-
Balance, end of the year	**-**	(30,000)

(in Canadian dollars)

10. Long-term debt – Cont'd

On December 1, 2023, the Company fully repaid its interest-free loan entered into under the Canada Emergency Business Account program.

11. Common shares and warrants

Authorized: An unlimited number of common shares, without par value:

Changes in Company common shares and warrants were as follows:

	December 31, 2023		December 31, 2022	
	Number	**Amount $**	Number	Amount $
Balance, beginning of year	**73,444,508**	**38,259,528**	49,226,674	35,793,654
Common shares issued pursuant to private placements (8)(12)(13)	**16,722,400**	**5,950,080**	9,585,000	958,500
Common shares issued pursuant to flow-through placement (9)(14)(15)(16)(17)(18)	**7,143,000**	**3,642,930**	13,232,834	1,487,176
Common share issuance in consideration of exploration and evaluation expenditures (1)(6)(10)(19)(20)(21)(22)	**380,000**	**141,700**	1,400,000	190,000
Stock options exercised (3)(5)	**800,000**	**244,535**	-	-
Warrants exercises (2)(4)(7)	**3,003,930**	**575,983**	-	-
Broker warrants exercised (11)	**244,650**	**71,421**	-	-
Share issue costs	**-**	**(1,236,723)**	-	(169,802)
Balance, end of year	**101,738,488**	**47,649,454**	73,444,508	38,259,528

<u>For the year ended December 31, 2023</u>

(1) On November 28, 2023, the Company issued 100,000 common shares under the Option Agreement pursuant to the second anniversary related to the Beaucage Property. The total fair value of the common shares issued of $9,500 was determined using the closing price on the TSX Venture Exchange as at November 28, 2023.

(2) On September 11, 2023, the Company received $31,250 following the exercise of 125,000 warrants at $0.25 each.

(3) On September 8, 2023, the Company received $130,000 following the exercise of 750,000 stock options at a price between $0.10 and $0.26 each. An amount of $92,683 has been recorded and transferred from contributed surplus.

(4) On August 10, 2023, the Company received $360,000 following the exercise of 2,000,000 warrants at $0.18 each.

(5) On June 2, 2023, the Company received $13,000 following the exercise of 50,000 stock options at $0.26 each. An amount of $8,852 has been recorded and transferred from contributed surplus.

(6) On May 26, 2023, the Company issued 200,000 common shares under the Option Agreement pursuant to the second anniversary related to the Dollier Property. The total fair value of the common shares issued of $89,000 was determined using the closing price on the TSX Venture Exchange as at May 26, 2023.

11. Common shares and warrants – Cont'd

(7) Between April 27 and May 19, 2023 and April 27, 2023, the Company received $184,733 following the exercise of 878,930 warrants at $0.25 and $0.18 each.

(8) On May 17, 2023, the Company issued 635,555 units to directors and key management personnel and 11,586,845 units to third parties at a price of $0.45 per unit, for gross proceeds of $5,500,080. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.63 for a 24-month period.

(9) On May 17, 2023, the Company issued 7,143,000 National Flow-Through units at a price of $0.63 per unit, for gross proceeds of $4,500,090. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.63 for a 24-month period. An amount of $4,500,090 was allocated to common shares and warrants, while an amount of $857,160 was attributed to other liabilities related to flow-through shares (Note 11).

(10) On May 16, 2023, the Company issued 80,000 common shares under the Option Agreement related to the Tremblay Property. The total fair value of the common shares issued of $43,200 was determined using the closing price on the TSX Venture Exchange as at May 16, 2023.

(11) Between March 16, 2023 and May 16, 2023, the Company received $61,162 following the exercise of 244,650 broker warrants at $0.25 each. An amount of $10,259 has been recorded and transferred from contributed surplus.

(12) On January 30, 2023 the Company completed a non-brokered private placement by issuing 4,500,000 units of the Company at a price of $0.10 per unit, for gross proceeds of $450,000. Each unit consists of one common share and one common share purchase warrant exercisable for up to 24 months from closing at $0.18.

<u>For the year ended December 31, 2022</u>

(13) On December 22, 2022, the Company issued 9,585,000 units at a price of $0.10 per unit, for gross proceeds of $958,500. Each unit consists of one common share and one share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.18 for a 24-month period.

(14) On December 22, 2022, the Company issued 1,658,923 National Flow-Through units at a price of $0.13 per unit, for gross proceeds of $215,660. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. An amount of $215,660 was allocated to common shares and warrants while an amount of $24,884 was attributed to other liabilities related to flow-through shares (Note 11).

(15) On December 22, 2022, the Company issued 4,654,074 Québec Flow-Through units at a price of $0.14 per unit, for gross proceeds of $651,570. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. An amount of $651,570 was allocated to common shares and warrants while an amount of $116,352 was attributed to other liabilities related to flow-through shares (Note 11).

(16) On December 15, 2022, the Company issued 2,307,694 National Flow-Through units at a price of $0.13 per unit, for gross proceeds of $300,000. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. An amount of $300,000 was allocated to common shares and warrants, while an amount of $46,154 was attributed to other liabilities related to flow-through shares (Note 11).

(17) On December 15, 2022, the Company issued 1,612,143 Québec Flow-Through units at a price of $0.14 per unit, for gross proceeds of $225,700. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. An amount of $225,700 was allocated to common shares and warrants, while an amount of $48,364 was attributed to other liabilities related to flow-through shares (Note 11).

(in Canadian dollars)

11. Common shares and warrants – Cont'd

(18) On December 15, 2022, the Company issued 3,000,000 Charity Flow-Through units at a price of $0.14 per unit, for gross proceeds of $420,000. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.14 for a 24-month period. An amount of $420,000 was allocated to common shares and warrants while an amount of $90,000 was attributed to other liabilities related to flow-through shares (Note 11).

(19) In November 2022, the Company paid in cash an amount of $40,000 and issued 100,000 common shares of the Company pursuant the signature of the Beaucage Property Agreement. The total fair value of the common shares issued of $12,500 was determined using the closing price on the TSX Venture Exchange as at November 28, 2022.

(20) In October 2022, the Company paid in cash an amount of $75,000 and issued 500,000 common shares of the Company pursuant to the third anniversary Eureka Property Agreement. The total fair value of the common shares issued of $45,000 was determined using the closing price on the TSX Venture Exchange as at October 3, 2022.

(21) In October 2022, the Company paid in cash an amount of $100,000 and issued 700,000 common shares of the Company pursuant to the third anniversary of R-14 Property Agreement. The total fair value of the common shares issued of $122,500 was determined using the closing price on the TSX Venture Exchange as at October 17, 2022.

(22) On May 27, 2022, the Company issued 100,000 common shares under the Option Agreement related to the Dollier Property. The total fair value of the common shares issued of $10,000 was determined using the closing price on the TSX Venture Exchange as at May 26, 2022.

Changes in share purchase warrants were as follows:

	December 31, 2023		December 31, 2022	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Balance, beginning of year	**22,223,408**	**$0.27**	11,098,772	$0.37
Issued	**14,182,700**	**0.49**	16,201,417	0.21
Exercised	**(3,003,930)**	**0.19**	-	-
Expired	**(6,021,991)**	**0.44**	(5,076,781)	0.29
Balance, end of year	**27,380,187**	**$0.35**	22,223,408	$0.27

(in Canadian dollars)

11. Common shares and warrants – Cont'd

Warrants issued and outstanding – Cont'd

At December 31, 2023, the following exercisable warrants were outstanding:

Warrants	Price	Expiry
3,322,419	0.25	December 15, 2024
2,790,068	0.25	December 22, 2024
9,585,000	0.18	December 22, 2024
2,000,000	0.18	January 30, 2025
9,682,700	0.63	May 17, 2025
27,380,187		

Broker warrants issued and outstanding

Changes in broker warrants were as follows:

	December 31, 2023		December 31, 2022	
	Number of broker warrants	**Weighted average exercise price**	Number of broker warrants	Weighted average exercise price
Balance, beginning of year	**1,737,170**	**$0.32**	661,263	$0.44
Issued (2)(5)(6)(7)	**1,130,256**	**0.44**	1,110,557	0.25
Exercised (1)(3)(4)	**(244,650)**	**0.25**	-	-
Expired	**(626,613)**	**0.45**	(34,650)	0.35
Balance, end of year	**1,996,163**	**$0.38**	1,737,170	$0.32

<u>For the year ended December 31, 2023</u>

(1) On May 16, 2023, the Company received $25,312 following the exercise of 101,250 broker warrants at $0.25 each. On May 17, 2023, the Company issued 1,095,256 broker warrants as part of the private placements on that day. Each warrant entitles its holder to purchase one common share of the Company at $0.45 for a 24-month period. The fair value of these warrants was $352,598 based on the Black-Scholes option pricing model and based on the following assumptions: risk-free rate of 4.04%, life of 2 years, expected volatility of 103.6% and no expected dividends.

(2) In April 2023, the Company received $31,475 following the exercise of 125,900 broker warrants at $0.25 each.

(3) On March 16, 2023, the Company received $4,375 following the exercise of 17,500 broker warrants at $0.25 each.

(4) On January 30, 2023, the Company issued 35,000 broker warrants as part of the private placements on that day. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. The fair value of these warrants was $1,223 based on the Black-Scholes option pricing model and based on the following assumptions: risk-free rate of 3.74%, life of 2 years, expected volatility of 87.2% and no expected dividends.

(in Canadian dollars)

11. Common shares and warrants – Cont'd

Broker warrants issued and outstanding – Cont'd

For the year ended December 31, 2022

(5) On December 22, 2022, the Company issued 875,019 broker warrants as part of the private placements on that day. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. The fair value of these warrants was $27,605 based on the Black-Scholes option pricing model and based on the following assumptions: risk-free rate of 3.82%, life of 2 years, expected volatility of 90% and no expected dividends.

(6) On December 15, 2022, the Company issued 235,538 broker warrants as part of the private placements on that day. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. The fair value of these warrants was $8,036 based on the Black-Scholes option pricing model and based on the following assumptions: risk-free rate of 3.68%, life of 2 years, expected volatility of 90% and no expected dividends.

At December 31, 2023, the following exercisable broker warrants were outstanding:

Broker warrants	Price	Expiry
235,538	0.25	December 15, 2024
630,369	0.25	December 22, 2024
35,000	0.25	January 30, 2025
1,095,256	0.45	May 17, 2025
1,996,163		

The weighted average fair value of broker warrants granted during the year ended December 31, 2023 was $0,31 (2022 – $0.11).

Share-based compensation

A summary of the status of the Company's stock option plan as of December 31, 2023 is as follows:

	December 31, 2023		December 31, 2022	
	Number of stock options	**Weighted average exercise price**	Number of stock options	Weighted average exercise price
Balance, beginning of year	**4,405,000**	**$0.23**	2,530,000	$0.23
Issued (2)(3)(5)(6)	**5,393,000**	**0.19**	2,000,000	0.25
Exercised (1)(4)	**(800,000)**	**0.18**	-	-
Expired unexercised	**-**	**-**	(125,000)	0.425
Balance, end of year	**8,998,000**	**$0.21**	4,405,000	$0.23

11. Common shares and warrants – Cont'd

Share-based compensation – Cont'd

For the year ended December 31, 2023

(1) On September 8, 2023, the Company received $130,000 following the exercise of 750,000 stock options at a price between $0.10 and $0.26 each.

(2) On August 21, 2023, the Company granted 1,420,000 stock options to directors and key management personnel and 443,000 stock options to an employee and consultants at an exercise price of $0.265 per common share expiring August 31, 2028. 931,500 stock options vest on December 31, 2023, and 931,500 stock options will vest on December 31, 2024. The fair value of these stock options was $342,856 based on the Black-Scholes option pricing model (all vesting immediately) and based on the following assumptions: risk-free rate of 4.14%, life of 5 years, expected volatility of 99.6% and no expected dividends.

(3) On July 6, 2023, the Company granted 150,000 stock options to an employee at an exercise price of $0.32 per common share expiring July 6, 2028. 50,000 stock options vest on October 6, 2023 and 100,000 stock options will vest on January 6, 2024. The fair value of these stock options was $36,669 based on the Black-Scholes option pricing model (all vesting immediately) and based on the following assumptions: risk-free rate of 3.91%, life of 5 years, expected volatility of 100.6% and no expected dividends.

(4) On June 2, 2023, the Company received $13,000 following the exercise of 50,000 stock options at $0.26 each.

(5) On April 4, 2023, the Company granted 550,000 stock options to consultants at an exercise price of $0.41 per common share expiring April 4, 2028. These stock options are vesting at grant date. The fair value of these stock options was $168,165 based on the Black-Scholes option pricing model (all vesting immediately) and based on the following assumptions: risk-free rate of 2.85%, life of 5 years, expected volatility of 98% and no expected dividends.

(6) On February 14, 2023, the Company granted 2,300,000 stock options to directors and key management personnel and 530,000 stock options to consultants at an exercise price of $0.10 per common share expiring February 14, 2028. These stock options are vesting at grand date. The fair value of these stock options was $181,379 based on the Black-Scholes option pricing model (all vesting immediately) and based on the following assumptions: risk-free rate of 3.39%, life of 5 years, expected volatility of 93.2% and no expected dividends.

(7) On March 21, 2022, the Company granted 100,000 stock options to a consultant at an exercise price of $0.21 per common share expiring March 21, 2024. The fair value of these stock options was $8,463 based on the Black-Scholes option pricing model (all vesting immediately) and based on the following assumptions: risk-free rate of 2.03%, life of 2 years, expected volatility of 79.4% and no expected dividends.

(8) On January 7, 2022, the Company granted 1,700,000 stock options to directors and key management personnel and 200,000 to consultants at an exercise price of $0.25 per common share expiring January 7, 2027. The fair value of these stock options was $311,924 based on the Black-Scholes option pricing model (all vesting immediately) and based on the following assumptions: risk-free rate of 1.25%, life of 5 years, expected volatility of 82.5% and no expected dividends.

(in Canadian dollars)

11. Common shares and warrants – Cont'd

Share-based compensation – Cont'd

At December 31, 2023, the following exercisable stock options were outstanding:

Stock options	Exercisable	Price	Expiry
100,000	100,000	0.21	March 21, 2024
525,000	525,000	0.11	July 4, 2024
200,000	200,000	0.13	July 8, 2024
1,180,000	1,180,000	0.26	July 10, 2025
200,000	200,000	0.40	August 24, 2025
1,700,000	1,700,000	0.25	January 7, 2027
2,530,000	2,530,000	0.10	February 14, 2028
550,000	550,000	0.41	April 4, 2028
150,000	50,000	0.32	July 6, 2028
1,863,000	931,500	0.265	August 21, 2028
8,998,000	7,966,500		

The weighted average fair value of stock options granted during the year was $0.14 (2022 - $0.16).

(in Canadian dollars)

12. Exploration and evaluation activities

The Company incurred the following exploration and evaluation expenses the year:

	December 31, 2023	December 31, 2022
	$	$
Exploration and evaluation expenditures acquired	**511,154**	360,956
Fees related to the grant of options on mining project	**141,700**	190,000
Drilling	**4,985,250**	2,242,525
Airbone geophysics	**48,837**	216,014
Soil sampling and analysis	**5,400**	2,412
Trenching	**10,173**	202,654
Choice of area and review of previous data	**(2,745)**	156,993
Geology and prospection	**75,233**	91,857
General exploration expenses	**126,417**	56,719
Geochemical analysis	**738,592**	259,863
3D modeling	**52,400**	-
Geochemical survey	**3,692**	-
Geophysical survey	**146,239**	145,971
Interpretation of geochemical, geophysical, geological surveys, modeling	**128,921**	61,453
Refundable tax credit on mining duties and refundable tax credit related to resources	**(298)**	(160,683)
Cash proceeds from the grant of options on Bellechasse property	**-**	(173,400)
Ontario Junior Exploration Program grants	**(400,000)**	(200,000)
Evaluation of potential property	**389**	-
	6,571,354	3,453,334

Bellechasse Property

On July 3, 2020, Delta entered into an asset purchase agreement with Yorkton Ventures Inc. ("**Yorkton**") and 9412-1068 Québec Inc., whereby it sold various assets, including the Bellechasse-Timmins mining titles (the "**Rights**") (the "**Agreement**"). The Agreement provided for a 1 % **NSR** payable to Delta after the completion of the transaction. On September 14, 2022, following the complete payment of the purchase price, the Rights were formally transferred by Delta to Lithium One Metals Inc. (formerly known as Yorkton) ("**Lithium**"), the whole pursuant to a deed of transfer approved by the *Ministère de l'Énergie et des Ressources naturelles* on September 14, 2022 (now the *Ministère des Ressources naturelles et des Forêts*) and registered in the Register or real and immovable mining rights (the "**Registry**").

However, a recent review of the Registry revealed that the Rights expired on February 1, 2024, and that they were not renewed by Lithium on or before that date.

(in Canadian dollars)

12. Exploration and evaluation activities – Cont'd

Bellechasse Property – Cont'd

Delta therefore retained the services of legal counsel to seek enforcement of the NSR in this context. At this stage, Delta has sent a demand letter requiring that the situation regarding the Rights and the NSR be remedied and it awaits a reply.

Delta-1 / Eureka Property

On October 3, 2019, the Company announced the signing of an exclusive agreement to acquire a 100% interest in the new Eureka gold Discovery in the Thunder Bay Mining District of Ontario. During the year ended December 31, 2023, the Company completed the terms of the agreement and now owns 100% interest in the property.

The terms of the agreement were as follows:

<table>
<tr><th>Anniversary Date</th><th>Cash Payment</th><th>Common shares Payment</th><th>Work Commitment</th></tr>
<tr><td>On signing</td><td>$25,000
(already paid)</td><td>500,000
(already issued)</td><td>n.a.</td></tr>
<tr><td>12 months</td><td>$25,000
(already paid)</td><td>500,000
(already issued)</td><td>$200,000
(condition fulfilled)</td></tr>
<tr><td>24 months</td><td>$50,000
(already paid)</td><td>$50,000*
(167,281 shares already issued)</td><td>$500,000
(condition fulfilled)</td></tr>
<tr><td>36 months</td><td>$75,000
(already paid)</td><td>$50,000*
(500,000 shares already issued)</td><td rowspan="2">$1,000,000
(condition fulfilled)</td></tr>
<tr><td>48 months</td><td>$150,000
(already paid)</td><td>n.a.</td></tr>
</table>

*Amount payable in common shares to a maximum of 500,000 common shares

- The vendor holds a 1.75% NSR Royalty on the claims. Delta may buy back the first 0.75% at any time for seven years after the effective date of the agreement for $500,000 and the remaining 1% Royalty at any time after the first 0.75% is purchased for $4,000,000.
- Five legacy claims of the property are also subject to NSR Royalties ranging from 0.5% to 1% from an underlying agreement. Delta has the option to purchase 50% of this NSR for the sum of $50,000.
- The agreement also includes advanced royalty payments starting 7 years after the effective date of the agreement.

In December 2019, the Company signed an agreement with the Ontario Exploration Corporation (**the "OEC"**) to buy back a NSR of up to 1% on its Eureka property in the Thunder Bay District, Ontario. Under the terms of the agreement, Delta now has the exclusive right to purchase 50% of the OEC NSR at Eureka by paying the OEC the sum of $50,000 payable as follows:

- Payment of $15,000 before December 31, 2019 (already paid);
- Payment of $35,000 before May 31st, 2021 (already paid).

Once Delta exercises its right to buy back the first 50% of the OEC NSR, Delta shall have the right to purchase the second 50% tranche at any time by paying the OEC an additional $50,000. Following the purchase of the second 50% tranche, Delta will have purchased the entire NSR Royalty currently owned by the OEC on the Eureka Property.

12. Exploration and evaluation activities – Cont'd

Delta-1 / Eureka Property – Cont'd

The OEC currently owns between 0.5% and 1.0% NSR royalty on certain claims of the Eureka property. More specifically, the OEC owns a 1.0% NSR on the claims covering the Eureka Gold prospect, Matawin and Kaspar gold occurrences and a 0.5% NSR on the claims surrounding the Kaspar occurrence.

In July 2021, the Company announced the acquisition of a 100% interest in eight claims (30 Units) in Blackewell, Laurie, Dawson Road Lots and Goldie Townships in Thunder Bay, Ontario and contiguous to the Delta-1 Property - Eureka property. The Parties have agreed that Delta make a one-time $6,000 payment (already paid) and the issue 200,000 common shares (already issued) of Delta to the Vendor for a 100% interest in the claims free and clear of encumbrances. The Vendor retains a 1.5% NSR royalty on the Property. Delta retains the right to buy back 0.5% of the NSR at any time for $400,000 and retains a Right of First Refusal on the remaining 1% NSR royalty.

In April 2022, the Company has been accepted to participate in the Ontario Junior Exploration Program Intake 2 for a maximum contribution of $200,000 towards the costs of the Delta-1 / Eureka project to be incurred between April 1, 2022 and February 15, 2023. During the year ended December 31, 2023, the Company incurred $200,000 of costs to this program and recorded against Exploration and evaluation expenditures a government assistance of $200,000, of which $200,000 received as of December 31, 2023.

In April 2023, the Company has been accepted to participate in the Ontario Junior Exploration Program Intake 3 for a maximum contribution of $200,000 towards the costs of the Delta-1 Property to be incurred between April 1, 2023 and February 15, 2024. During the year ended December 31, 2023, the Company incurred $200,000 of costs to this program and recorded against Exploration and evaluation expenditures a government assistance of $200,000, of which $60,000 received and $140,000 accounted for receivable as of December 31, 2023.

In September 2023, the Company has been accepted to participate in the Ontario Junior Exploration Program Intake 4 for a maximum contribution of $200,000 towards the costs of the Delta-1 Property to be incurred between April 1, 2023 and February 15, 2024. During the year ended December 31, 2023, the Company incurred $200,000 of costs admissible to his program and recorded against Exploration and evaluation expenditures a government assistance of $200,000 for which $200,000 was accounted for receivable as of December 31, 2023.

Delta-1 / Gravel Ridge Property

The property consists of 10 claims covering 706 hectares, contiguous or adjacent to the Delta-1 Property in Ontario. Delta owns a 100% interest in the Gravel Ridge claims subject to a 1.75% NSR royalty. Delta has the right to buy back 0.75% NSR for the sum of $400,000 and retains a first right of refusal on the purchase of the remaining 1% NSR.

Delta-1 / Bylund Property

The property now consists of 282 (2022 – 279) contiguous unpatented mining claims covering a total area of 5,830 (2022 – 5,201.7) hectares and also counts the Gravel Ridge property which is contiguous or adjacent to the Delta-1 Property in Ontario.

On August 6, 2022, the Company has acquired the exclusive rights to buy the surface and mining rights to a property adjacent to its Delta-1 Property in Thunder Bay, Ontario. The 85-hectare Bylund property is contiguous with the Delta-1 Property, immediately east of the Eureka Gold.

12. Exploration and evaluation activities – Cont'd

Delta-1 / Bylund Property – Cont'd

Delta entered into a five-year lease agreement with the surface and mining rights landowners. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the land, it will pay land market value times 10. Delta made a one-time cash payment of $60,000 (already paid) to the landowners. There are no work commitments nor were any common shares of the Company issued. Should Delta elect to purchase the property during the five-year period, the landowners will retain a 2% NSR royalty of which Delta can elect to buy back 1% at any time for the sum of $1,000,000.

Delta-1 / Beaucage Property

On November 1, 2022, the Company has acquired the exclusive rights to buy the surface and mining rights to a property adjacent to its Delta-1 Property in Thunder Bay, Ontario. The 32-hectare Beaucage property is contiguous with the Delta-1 Property, immediately east of the Eureka Gold.

Delta entered into a five-year lease agreement with the surface and mining rights landowners. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the property, it will pay market value times ten (10). Delta made a one-time cash payment of $40,000 (already paid) to the landowners and will also issue 100,000 common shares (already issued in 2023 and 2022) of the Company per year for 5 years, starting upon the signing of the Agreement.

Delta-1 / Ojala Property

On November 15, 2022, the Company has acquired the exclusive rights to buy the surface and mining rights to a property adjacent to its Delta-1 Property in Thunder Bay, Ontario. The 67-hectare property is contiguous with the Delta-1 Property, securing Delta's land position on strike with the Eureka Gold Prospect for a strike length of 4.2 kilometres.

Delta entered into a five-year lease agreement with the surface and mining rights landowners. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the property, it will pay market value times 10. Delta made a one-time cash payment of $45,000 (already paid) to the landowners to cover the five-year lease. There are no work commitments nor were any common shares of the company issued. Should Delta elect to purchase the property during the five-year period, the landowners will retain a 2% NSR royalty of which Delta can elect to buy back 1% at any time for the sum of $1,000,000.

Delta-1 / Maxwell Property

On January 23, 2023, the Company has acquired one patent (surface and mining rights) covering 47 hectares contiguous to Delta-1 Property.

Delta entered into a five-year lease agreement with the surface and mining rights landowners. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the property, it will pay market value times 10. Delta made a one-time cash payment of $60,000 (already paid) to the landowners to cover the five-year lease. There are no work commitments nor were any common shares of the Company issued. Should Delta elect to purchase the property during the five-year period, the landowners will retain a 2% NSR royalty of which Delta can elect to buy back 1% at anytime for the sum of $1,000,000.

12. Exploration and evaluation activities – Cont'd

Delta-1 / Tremblay Property

On April 24, 2023, the Company acquired 100 % in the Tremblay Property consisting of 8 claims and covering 177 hectares adjacent to the Delta-1 Property. In order to acquire the claims Delta issued 80,000 common shares (already issued) of the Company. The vendor retains a 2% NSR royalty of which Delta can elect to buy back 1% at anytime for the sum of $1,000,000.

Delta-1 / Impala Property

On June 27, 2023, the Company acquired a 100% interest in the Impala Property which consists of 23 claims covering approximately 2,348.5 hectares, located immediately south of Delta-1 Property.

On June 27, 2023, Delta made a one-time cash payment of $50,000. The vendor will retain a 2% NSR with a 0.5% buyback for $1,000,000 and an additional 0.5% buyback for $1,000,000, and the remaining 1% for $4,000,000. There are no work commitments nor were any common shares of the Company issued.

Delta-1 / Schultz Property

On June 21, 2023, the Company has acquired one patent (surface and mining rights) covering approximately 59 hectares located contiguous to Delta-1 Property and on strike to Eureka.

Delta has entered into a five-year lease agreement with the surface and mining rights landowner. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the property, it will pay market value times ten (10). On June 21, 2023, Delta has made a one-time cash payment of $90,000 to the landowners to cover the five-year lease. Should Delta elect to purchase the property during the five-year lease period, the landowners will retain a 2% NSR of which Delta can elect to buy back 1% at any time for the sum of $1,000,000 and the remaining 1% for $4,000,000. There are no work commitments nor were any common shares of the Company issued.

Delta-1 / Hackl Property

On June 8, 2023, the Company entered into an option agreement whereby it can earn a 100% interest in 97 claims covering 2,056.4 hectares located south of Delta-1 Property.

On June 16, 2023, Delta has paid $50,000 and will pay an additional $50,000 upon the 1st Anniversary. An amount of $75,000 to be paid upon the 2nd and 3rd Anniversary for a total of $250,000. The Vendor retains a 2% NSR of which Delta can elect to buy back 1% at any time for $1,000,000 and the remaining 1% for $4,000,000. There are no work commitments nor were any common shares of the Company issued.

Delta-1 / Gold Cache Property

On June 7, 2023, the Company acquired a 100% interest in the Gold Cache property consisting of 12 claims and covering 252 hectares continuous and south of the Delta-1 Property.

On June 13, 2023, Delta made a one-time cash payment of $45,000. The landowners will retain a 2% NSR royalty of which Delta can elect to buy back 1% at any time for $1,000,000 and retain a first right of refusal on the remaining NSR (up to $4,000,000). There are no work commitments nor were any common shares of the Company issued.

(in Canadian dollars)

12. Exploration and evaluation activities – Cont'd

Delta-2 / R-14 Property

On October 17, 2019, the Company announced the signing of an exclusive agreement to acquire a 100% interest in the Delta-2 / R-14 Property in the Chibougamau Mining District of Quebec. All the terms of the agreement were completed, and the Company owns 100% interest in the property.

- The vendor holds a 2.0% NSR Royalty on the claims (except on the 41 legacy claims listed below). Delta may buy back 1.0% at any time for $1,000,000.
- 41 legacy claims are subject to a 1.5% NSR Royalty. Delta has the option to purchase 0.75% of this NSR for $500,000.

In February 2020, Delta has acquired 14 new claims contiguous to the Delta-2 / R-14 property, covering approximately 880 hectares. The terms of the agreement with Multi-Resources Boreal include a one-time payment of $5,000.00 and the issuance of 50,000 shares for a 100% interest in the claims. Delta also grants a 2% NSR to Multi-Resources Boreal with an option for Delta to buy back a 1% NSR at any time for $1,000,000.

On May 20, 2020, Delta announced the addition, through staking, of an additional 30 claims, covering 1,669 hectares.

The property consists of 362 (2022 - 332) contiguous mining claims covering a total area of 19,288.50 (2022 – 17,712,12) hectares.

Dollier Property

In May 2021, the Company has optioned the Dollier Property in Chibougamau, Québec from Cartier Resources Inc. ("Cartier"). Delta shall have the sole and exclusive right to earn a 100% Interest.

The terms of the agreement are as follows:

Anniversary Date	Cash Payment	Common share Payment	Work Commitment
On signing	$10,000 (already paid)	100,000 (already issued)	n.a.
12 months	n.a.	100,000 (already issued)	n.a.
24 months	n.a.	200,000 (already issued)	n.a.
36 months	n.a.	200,000	n.a.
48 months	n.a.	n.a.	$1,000,000

Upon earning a 100% interest in the Dollier Property, Cartier will be granted a 2% NSR production royalty. Delta will have the exclusive right to purchase the first 1% NSR for $2,000,000 and the second 1% NSR for $15,000,000.

(in Canadian dollars)

13. Income taxes

a) Provision for income tax reconciliation

The recovery of income taxes attributable to the loss before taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.5% as a result of the following:

	2023 **$**	2022 $
Loss before income taxes	**(8,173,936)**	(4,243,056)
Income tax recovery using the Company's domestic tax rate	**(2,166,093)**	(1,124,410)
Tax effect from:		
Share-based compensation	**158,337**	84,903
Other permanent differences	**8,495**	(3,617)
Deferred tax asset not recognized	**990,337**	313,530
Tax effect of provincial tax rate	**39,117**	38,930
Tax expense related to flow-through share deduction	**(97,922)**	390,634
Income tax recovery	**(1,067,729)**	(300,030)

b) Unrecognized deductible temporary differences consist of the following:

	2023	
	Federal **$**	**Provincial** **$**
Exploration and evaluation assets	**11,703,428**	**16,424,228**
Property and equipment	**8,655**	**8,655**
Non-capital losses carried forward	**12,153,633**	**11,814,488**
Share issuance and finance costs	**904,356**	**904,356**
	24,770,072	**29,151,727**

	2022	
	Federal **$**	**Provincial** **$**
Exploration and evaluation assets	11,002,761	11,002,761
Property and equipment	2,996	2,996
Non-capital losses carried forward	10,747,944	10,747,944
Share issuance and finance costs	297,824	297,824
	22,051,525	22,051,525

(in Canadian dollars)

13. Income taxes – Cont'd

At December 31, 2023, the Company had non-capital loss carry forwards available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

	Federal $	Provincial $
2027	679,921	679,921
2028	843,193	843,193
2029	868,387	701,458
2030	1,316,077	1,186,075
2031	1,180,423	1,169,772
2032	1,193,612	1,189,683
2033	707,448	706,030
2034	384,781	382,802
2035	279,164	275,566
2036	609,446	604,965
2037	472,109	469,443
2038	265,098	261,106
2039	293,151	288,322
2040	507,268	505,623
2041	579,381	577,310
2042	649,598	651,200
2043	1,324,576	1,322,019
	12,153,633	11,814,488

As at December 31, 2023, the Company has Pre-Production Mining income tax credits in the amount of $22,973. These credits can be used against Canadian federal income taxes payable and expire from 2032 to 2037.

14. Complementary information related to cash flows

Net change in non-cash operating working capital items:

	2023 $	2022 $
Subvention receivable	**(200,000)**	(140,000)
Sales tax receivable	**(167,765)**	22,697
Prepaid expenses	**(29,109)**	(37,507)
Other receivable	**14,510**	(296)
Refundable tax credit on mining duties and refundable tax credit related to resources	**160,541**	434,760
Accounts payable and accrued liabilities	**459,313**	149,383
	237,490	429,037

(in Canadian dollars)

14. Complementary information related to cash flows – Cont'd

Items not affecting cash:

	2023 $	2022 $
Common share issuances in consideration of exploration and evaluation expenditures	**141,700**	190,000
Flow-through share premium liability	**857,160**	325,754
Share issue costs	**353,821**	35,641

15. Related party transactions

The following table reflects the remuneration of key management and directors of the Company:

	2023 $	2022 $
Employee benefits, included in General administrative expenses(1)	**35,300**	89,827
Management fees(2)	**142,000**	60,000
Property and equipment	**4,113**	3,194
Professional fees(3)	**55,210**	51,083
Exploration and evaluation expenditures(1)	**36,958**	126,552
Share-based compensation	**352,688**	262,673
	626,269	593,329

(1) During the year ended December 31, 2023, a total of $76,371 (2022- $219,388) was paid to André C. Tessier, President and Chief Executive Officer of the Company. That total included (i) $ $35,300 (2022 - $89,827) as general and administrative expenses, (ii) $36,958 (2022 - $126,367) for exploration and evaluation expenditures of the Company, and (iii) $4,113 (2022 - $3,194) as property and equipment. In relation with these transactions an amount of $319 was payable as at December 31, 2023 (2022 -Nil).

(2) During the year ended December 31, 2023, the Company incurred management fees in the amount of $142,000 (2022 - $60,000), with 9132-8757 Québec Inc., a company owned by Frank Candido, Chairman of the board of directors of the Company. In relation with these transactions, no amount was payable as at December 31, 2023 and 2022.

(3) During the year ended December 31, 2023, the Company incurred professional fees in the amount of $55,210 (2022 - $51,083), with Nathalie Laurin, the Chief Financial Officer of the Company. In relation with these transactions $3,514 payable as at December 31, 2023 and $10,488 as at December 31, 2022.

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. Contingent liabilities

The Company's operations are governed by governmental laws and regulations regarding environmental protection Environmental consequences are difficult to identify, in terms of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in compliance with the laws and regulations. Any additional payment to liability already recorded that result from restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at that time.

17. Commitments

In June 2023, the Company signed a lease contract for its Ontario office, starting August 1, 2023 and expiring in July 31, 2024. Remaining minimum payments, totaling $13,440, will be paid in 2024.

Under rules established by the ministère de l'Énergie et Ressources naturelles of the province of Québec, the Company already spend the amount required to maintain the claims on its properties in 2023.

18. Capital management

The Company defines capital as equity amounting to $5,705,928 as at December 31, 2023 ($2,582,685 as at December 31, 2022).

The Company's objectives when managing capital are to:

- ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- maintain financial capacity and access to capital to support future development of the business while taking into consideration current and future industry, market and economic risks and conditions; and
- utilize short term funding sources to manage its working capital requirements.

The Company has no externally imposed restrictions on capital. There were no significant changes in the Company's approach to capital management during the year ended December 31, 2023.

19. Loss per share

(a) *Basic loss per share*
Basic loss per share is computed by dividing net loss for a period by the weighted average number of common shares outstanding during that period.

(b) *Diluted loss per share*
Diluted loss per share is computed by dividing net loss for a period by the diluted number of common shares. Diluted common shares includes the effects of instruments, such as share stock options and warrants, which could cause the number of common shares outstanding to increase.

The Company reported a net loss for the periods ended December 2023 and 2022; the Company has accordingly presented basic and diluted losses per share, which are the same, on a single line in the statements of loss and comprehensive loss. Diluted loss per share did not include the effect of share purchase stock options and warrants as they were anti-dilutive.

20. Financial instruments

a) Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to credit risk with respect to cash, cash equivalents and other receivables. The carrying amount of these financial instruments represents the Company's maximum exposure to credit risk. Cash are composed of deposits with Canadian financial institution.

(in Canadian dollars)

20. Financial instruments – Cont'd

b) Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

	Carrying amount	Contractual cash flows	0 to 12 months
	$	$	$
Accounts payable and accrued liabilities	992,830	992,830	992,830

c) The fair value of cash, cash equivalents, other receivables, accounts payables and accrued liabilities approximates their carrying value due to their short-term nature. The fair value of the long-term debt as at December 31, 2022 was determined on the basis of discounted cash flow using the rate applicable at the date of the statement of financial position for a given instrument. The rate is similar to the rate applicable to the long-term debt instruments. The fair value of the long-term debt approximated its book value.

21. Subsequent events

On January 19, 2024, the Company announced that it has acquired a 100% interest in twenty-one (21) claims covering 1,170 hectares at the heart of the Delta-2 property, located 35 kilometres southeast of the Town of Chibougamau, Quebec. To acquire a 100% interest in the claims, Delta has paid the vendors the sum of $5,000 and issued 350,000 common shares of the Company. The vendors will retain a 2% Net Smelter Return ("NSR") royalty on the claims. Delta retains the right to buy back a 1% NSR from the vendors for the sum of $1,000,000 and retains a right of first refusal on the remaining 1% NSR.

On February 6, 2024, the Company granted 200,000 stock options to members of its exploration team. The stock options are exercisable at $0.105 for 5 years from the date of the grant and vest immediately.

On February 15, 2024, the Company acquired the right to purchase the Pete's Backhoe property, covering 33 hectares 750 metres west of the Eureka Gold Zone. The property is leased for a period of 5 years. Delta made a cash payment on signing of $80,000 and will pay $25,000 per year for an additional 3 years for a total cash consideration of $155,000. Delta may end the lease at any time. During the 5 years lease, Delta may purchase the property at any time by paying 5 times fair market value. If Delta exercises its right to purchase, the vendor will retain a 2% NSR royalty. Delta may buy back 1% NSR for $1,000,000 and retains a first right of refusal on the second 1% NSR. There are no work commitments nor were any common shares of the Company issued.

In March 2024, the Company received $340,000 who represented the last tranche of the $400,000 grants from the Ontario Junior Exploration Program Intakes 3 and 4 to further advance its Delta-1 Property.