



TRU PRECIOUS METALS CORP.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of TRU Precious Metals Corp.

Opinion

We have audited the financial statements of TRU Precious Metals Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

We have determined that there were no key audit matters to communicate in our report.

Other information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the Company'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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 risks 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 Company'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 Company'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 Company 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.

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 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 of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 11, 2024

TRU Precious Metals Corp.

Statements of Financial Position (Expressed in Canadian Dollars) As at

	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,649,188	\$ 1,067,815
Amounts receivable	218,304	143,132
Investments (Note 6)	-	252,440
Deposits and prepaid expenses	29,224	44,278
TOTAL ASSETS	\$ 2,896,716	\$ 1,507,665
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 13)	170,831	137,183
Flow-through premium liability	-	184,434
Restoration and environmental obligations (Note 12)	47,500	52,500
Total liabilities	218,331	374,117
Shareholders' equity		
Share capital (Note 9)	13,713,740	11,006,785
Share-based payment reserves (Notes 10 and 11)	5,545,564	4,564,507
Accumulated deficit	(16,580,919)	(14,437,744)
Total shareholders' equity	2,678,385	1,133,548
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,896,716	\$ 1,507,665

Nature of operations and going concern (Note 1)

Commitments and contingencies (Notes 15)

Subsequent events (Note 16)

Approved on behalf of the Board:

“ Manish Kshatriya “ _____ Director

“ Joel Freudman “ _____ Director

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

TRU Precious Metals Corp.

Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) For the Years ended December 31

	2023	2022
EXPENSES		
Management fees and salaries (Note 13)	\$ 483,413	\$ 505,438
Share-based compensation (Note 11 & 13)	206,779	301,825
Professional fees	56,804	101,219
Filing and agency fees	29,445	32,967
Corporate communications and investor relations	189,464	341,508
Administrative costs (Note 13)	126,395	111,803
Directors' fees and expenses (Note 13)	36,489	63,500
Exploration and evaluation expenses (Note 12 & 13)	1,089,457	3,077,173
TOTAL EXPENSES BEFORE OTHER ITEMS	2,218,246	4,535,433
OTHER (INCOME) EXPENSES		
Interest expense (income)	(58,846)	(17,687)
Proceeds from property option agreement	(100,000)	(125,000)
Flow-through premium liability recovery	(184,434)	(98,207)
Termination of office lease	-	123
Exploration services income	(80,966)	-
Realized loss on investments	227,762	72,835
Unrealized loss (gain) on equity investments	121,413	(149,073)
NET LOSS AND COMPREHENSIVE LOSS	\$ 2,143,175	\$ 4,218,424
Net loss per share		
Basic and diluted	\$ (0.02)	\$ (0.06)
Weighted average common shares outstanding		
Basic and diluted	119,838,509	75,546,385

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

TRU Precious Metals Corp.

Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars)

	Number of Shares	Share capital	Share purchase warrant reserve	Share based payments	(Deficit)	Total
Balance as at December 31, 2022	91,869,989	\$ 11,006,785	\$ 3,208,871	\$ 1,355,636	\$ (14,437,744)	\$ 1,133,548
Shares issued pursuant to private placements (Note 9)	70,570,000	2,733,959	794,541	-	-	3,528,500
Share issuance costs-cash (Note 9)	-	(75,740)	(24,248)	-	-	(99,988)
Share issuance costs-non cash (Note 9)	-	(3,985)	3,985	-	-	-
Treasury shares repurchased through NCIB (Note 9(iv))	-	(30,612)	-	-	-	(30,612)
Shares issued for acquisition of exploration and evaluation assets (Note 12)	3,333,333	83,333	-	-	-	83,333
Share-based payments (Note 11)	-	-	-	206,779	-	206,779
Net loss for the year	-	-	-	-	(2,143,175)	(2,143,175)
Balance as at December 31, 2023	165,773,322	\$13,713,740	\$ 3,983,149	\$ 1,562,415	\$ (16,580,919)	2,678,385
Balance as at December 31, 2021	67,102,894	\$ 9,542,030	\$ 2,673,589	\$ 1,062,811	\$(10,219,320)	\$ 3,059,110
Shares issued pursuant to private placements	20,782,924	1,253,867	549,292	-	-	1,803,159
Share issuance costs-cash	-	(113,462)	(39,315)	-	-	(152,777)
Share issuance costs-non cash	-	(25,305)	25,305	-	-	-
Shares issued for acquisition of exploration and evaluation assets	3,984,171	349,655	-	-	-	349,655
Forfeiture of options	-	-	-	(9,000)	-	(9,000)
Share-based payments	-	-	-	301,825	-	301,825
Net loss for the year	-	-	-	-	(4,218,424)	(4,218,424)
Balance as at December 31, 2022	91,869,989	\$ 11,006,785	\$ 3,208,871	\$ 1,355,636	\$(14,437,744)	\$ 1,133,548

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

TRU Precious Metals Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)
For the Years ended December 31

	2023	2022
Operating activities		
Net loss	\$ (2,143,175)	\$ (4,218,424)
Shares issued for property acquisitions	83,333	349,655
Depreciation on right-of-use asset	-	39,016
Accrued interest	-	3,442
Share-based payments	206,779	301,825
Flow-through premium liability recovery	(184,434)	(98,207)
Restoration and environmental obligations	(5,000)	52,500
Realized and unrealized loss on investments	349,175	(76,238)
Proceeds from property option agreement	(100,000)	(125,000)
Termination of lease	-	123
Changes in non-cash working capital items:		
Amounts receivable	(75,172)	415,231
Deposits and prepaid expenses	15,054	52,623
Accounts payable and accrued liabilities	38,612	(443,023)
Net cash used in operating activities	(1,814,828)	(3,746,477)
Financing activities		
Proceeds from private placements	3,528,500	2,085,800
Share issue costs	(106,625)	(146,140)
Repurchase of shares through NCIB (Note 9)	(28,939)	-
Lease payments	-	(39,600)
Option forfeiture	-	(9,000)
Net cash (used in)/provided by financing activities	3,392,936	1,891,060
Investing activities		
Purchase of investments	-	(16,930)
Proceeds on disposal of investments	3,265	67,923
Net cash provided by investing activities	3,265	50,993
Net change in cash and cash equivalents	1,581,373	(1,804,424)
Cash and cash equivalents, beginning of year	1,067,815	2,872,239
Cash and cash equivalents, end of year	\$ 2,649,188	\$ 1,067,815

Significant non-cash investing and financing transactions for the year ended December 31, 2023 consisted of:

- a) Decrease in accrued share issue costs was \$ 4,964 (2022: increase of \$6,637)
- b) Non-cash share issue costs related to private placements was \$5,975 (2022: \$32,663)

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

TRU Precious Metals Corp.
Notes to the Financial Statements
(Expressed in Canadian Dollars)
For the Years Ended December 31, 2023 and 2022

1. NATURE OF OPERATIONS AND GOING CONCERN

TRU Precious Metals Corp. ("TRU" or the "Company") is a Canadian public company listed on the TSX Venture Exchange (the "TSXV") under the symbol "TRU" and other alternative foreign exchanges. The Company's common shares are also listed on the OTCQB Venture Market under the symbol "TRUIF", and on the Frankfurt Stock Exchange under the symbol "706". The Company exists under the laws of the Province of Ontario, following a continuance out of the Province of Alberta in August 2021. The Company's head office is located at 70 Trius Drive, Fredericton, New Brunswick, Canada, E3B 5E3.

The Company has assembled a portfolio of gold exploration properties in Newfoundland, Canada. The Company's future viability depends initially upon the acquisition and financing of mineral exploration projects. If the mineral projects are to be successful, additional funds will be required for exploration and development and, if warranted, to place them into commercial production. The sources of funds presently available to the Company are through the issuance of common shares or through the sale of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing or the sale of an interest will depend, in part, on prevailing market conditions as well as the business performance and exploration results of the Company. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution. As at December 31, 2023, the Company believes it has sufficient working capital to meet its needs for the next twelve months. If the going concern assumptions were not appropriate, adjustments to the financial statements could be material.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

These financial statements of the Company for the years ended December 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors on April 11, 2024.

2. BASIS OF PRESENTATION AND COMPLIANCE

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations issued by the international Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

These financial statements have been prepared on a going concern basis, under the historical cost basis (except for financial instruments carried at fair value), and using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with IAS 1 ("IAS 1"), Preparation of Financial Statements, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

Presentation and functional currency

Amounts in the financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9 Financial Instruments:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial instruments consist of the following:

<u>Financial assets:</u>	<u>Classification:</u>
Cash	Amortized cost
Cash equivalents	FVTPL
Investments	FVTPL
Amounts receivable	Amortized cost

<u>Financial liabilities:</u>	<u>Classification:</u>
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss in the period in which they arise.

TRU Precious Metals Corp.
Notes to the Financial Statements
(Expressed in Canadian Dollars)
For the Years Ended December 31, 2023 and 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Investments

Purchases and sales of investments are recognized on a trade date basis. Public and private investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in profit or loss. Transaction costs are expensed as incurred in profit or loss. At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the financial statements.

Securities in privately-held companies are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. In the absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

An upward fair value adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable.

Such events include, without limitation:

- receipt by the investee company of regulatory approvals, which allow the investee company to proceed with its business plans and projects;
- release by the investee company of positive operational results; and
- important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

Downward fair value adjustments are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- denial of the investee company's application for regulatory approvals that prohibit the investee company from proceeding with its business plans and projects;
- the investee company releases negative operational results;
- changes to the management of the investee company take place that the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

The resulting fair values may differ from amounts that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the fair value recorded. Such differences could be material.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral property rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

Service Fees

The Company provides geological and exploration services to third parties. Revenue is recognized when the services have been completed. These contracts are at fixed prices.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

During the reporting periods presented herein, diluted loss per share is equal to basic loss per share as the effects of outstanding options and warrants is anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Leases - Lessee

A contract is a lease (or may contain a lease) if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lesser of the lease term and the asset's useful life. The lease liability is subsequently measured at amortized cost using the effective interest method.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases (lease term of 12 months or less) and leases for which the underlying asset is of low value. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

Where equity-settled share options are awarded to employees and consultants, the fair value of the options at the date of grant is charged to the statement of 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, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statements of loss over the remaining vesting period. When stock options are granted by the Company, the corresponding increase is recorded to share-based payments reserve.

Where equity instruments are granted to employees, they are recorded at the fair value at the grant date. The grant date fair value is recognized in the statement of loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss. When the value of goods and services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

All equity-settled share-based payments are reflected in share-based payment reserves, until exercised. Upon exercise, the shares are issued from treasury and the amount reflected in share-based payment reserves is credited to share capital for any consideration paid. On expiry, the amount remains in share-based payments reserve.

Estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the expected volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model generally used by the Company for the value of options is the Black-Scholes valuation model.

Functional currency

The functional currency of the Company and its subsidiary is the Canadian dollar. Transactions denominated in foreign currencies (other than the functional currency) are recorded on initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences, other than those capitalized to qualifying assets or recorded in equity in hedging transactions, are recognized in profit or loss. Non-monetary assets and liabilities measured at cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants and assistance

Government grants are recognized only once there is reasonable assurance that the Company will be able to comply with any conditions attached to the grant and that the grant will be received. Grants are recognized as either income over the period(s) necessary to match them with the related costs or if related to a specific expense, as a reduction or contra to the expenses for which they are intended to compensate, on a systematic basis. Grants receivable for costs already incurred or for immediate financial support, with no future related costs, are recognized as income in the period in which the grant is receivable against the related expense.

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource properties to investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company's common shares is allocated to premium on flow-through shares liability. The reduction to the premium liability in the period of renunciation is recognized through operations.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the lookback rule, in accordance with Government of Canada flow-through regulations.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a financial cost and included in interest expense.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgements

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make estimates and judgments concerning the future. The Company's management reviews these estimates and underlying judgments on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining: the fair value of measurements of financial instruments; the valuation of share-based compensation; recognition of contingent liabilities; and the recoverability and measurement of deferred tax assets.

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

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment

Assets, including right of use asset, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates the higher of fair value less costs to sell and value in use. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

Provisions and Contingencies

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments when the amounts are determined or additional information is acquired.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 11.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgements (continued)

Income, value added, withholding and other taxes (continued)

requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Restoration and environmental obligations

The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the property. As at December 31, 2023, the restoration and environmental obligation is \$47,500 (December 31, 2022 - \$52,500). Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Contingencies

See Note 15.

Adoption of new and amended IFRS pronouncements

Effective January 1, 2023, the Company adopted the new and amended IFRS pronouncement listed below, in accordance with the transitional provisions outlined in the respective standard. The adoption of these pronouncements did not have a material impact on the Company's financial statements.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates.

IAS 12 – In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument.

New standards not yet adopted, and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

4. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its mineral properties and to sustain future development of the business. The capital structure of the Company consists of equity.

The Company's objectives in managing capital are (a) to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern, so that the Company is able to pursue the exploration and development of its mineral property interests, and (b) to maintain a flexible capital structure which will optimize the costs of capital at an acceptable risk.

The Company plans to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to volatile conditions for junior mineral exploration companies. The Company makes adjustments to its management of capital in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk.

There are no restrictions on the Company's capital and there were no significant changes in the Company's approach to capital management for the reporting periods. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

- ◆ Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- ◆ Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- ◆ Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The Company's cash equivalents and investments in publicly traded companies are valued at Level 1. Investments in privately held companies are valued at Level 3. There were no transfers between levels during the period.

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5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The following table presents changes in fair value measurements of financial instruments classified as Level 3.

For the period ended	Opening Balance \$	Additions \$	Net gain (loss) \$	Ending Balance \$
Year ended December 31, 2023	250,000	100,000	(350,000)	-
Year ended December 31, 2022	-	125,000	125,000	250,000

The key assumptions used in the valuation of the investments in privately held companies classified as Level 3 include the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions, the marketability of the investment and the share performance of comparable publicly-traded companies. The receipt of special warrants from Eastern Precious Metals Corp. ("Eastern") received pursuant to the Twilite Option Agreement (as defined herein in Note 12) were valued using pricing from Eastern's financings (Note 6). In September 2023, the Option Agreement was terminated and TRU surrendered the special warrants.

The Company determined that the carrying values of its short-term financial assets and liabilities approximate the corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents and amounts receivable.

The credit risk on cash and cash equivalents is remote as the Company maintains accounts with highly-rated financial institutions.

Credit risk with respect to the amounts receivable has been assessed as remote as it primarily relates to HST/GST input tax credits owed from the Government of Canada and grants and refunds owed from the Newfoundland provincial government. Receivables from other parties are partially secured by cash security deposits.

Allowance for expected credit losses

The Company measures loss allowances based on an expected credit loss impairment ("ECL") model for all financial instruments measured at amortized cost or fair value through other comprehensive income with recycling into income. Application of the model depends on the following credit stages of the financial assets.

- Stage 1 - for new loans recognized and for existing loans that have not experienced a significant increase in credit risk ("SICR") since initial recognition, a loss allowance is recognized equal to the lifetime credit losses expected to result from defaults occurring in the next 12 months;
- Stage 2 - for those loans that have experienced a SICR since initial recognition, a loss allowance is recognized equal to the credit losses expected over the remaining life of the loan; and
- Stage 3 - for loans that are considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is recognized.

Significant judgement is required in making assumptions and estimates used to calculate the ECL, including movements between the three stages and the use of forward looking information. The measurement of ECL for each stage and the criteria used to determine a SICR uses information about past events and current conditions as well as reasonable and supportable projections of future events.

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5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to foreign exchange risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. As at December 31, 2023, the Company has current assets totaling \$2,896,716 (December 31, 2022 - \$1,507,665) to settle current liabilities of \$218,331 (December 31, 2022 - \$374,117).

6. INVESTMENTS

Investments are comprised of shares of publicly traded entities and special warrants of privately held entities. The Company classifies its investments at fair value through profit or loss. Realized gains and losses on disposal of investments and unrealized gains and losses in the fair value of investments are reflected in profit or loss for the period in which they occur.

During the year ended December 31, 2022, the Company acquired 2,500,000 special warrants of Eastern, a private company, pursuant to the terms of the Twilite Option Agreement (as defined herein in Note 12). The special warrants entitle the holder to acquire one common share of Eastern for each special warrant held, without the payment of additional consideration. The special warrants were initially recorded at a value of \$125,000 based on the price of the most recent financing concluded by the investee at the time of receipt. At December 31, 2022, the special warrants were valued at \$250,000 (Note 5). In May, 2023, the Company received an additional 1,000,000 special warrants pursuant to the option agreement. The additional warrants were valued at \$100,000. In September 2023, the Option Agreement was terminated and the special warrants were returned to Eastern with the fair value of the special warrants being written off accordingly.

An analysis of investments including related gains and losses for the years ended December 31, 2023 and 2022 is presented below:

	December 31, 2023	December 31, 2022
Investments beginning of year	\$ 252,440	\$ 102,195
Purchase of investments	-	16,930
Special warrants from property option agreement	100,000	125,000
Disposition of investments	(3,265)	(67,923)
Realized loss on investments	(227,762)	(72,835)
Change in unrealized gain (loss) on investments	(121,413)	149,073
Investments end of year	\$ -	\$ 252,440

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7. RIGHT-OF-USE ASSET

The Company's leased field office in Newfoundland was classified as a right-of-use asset. The asset was depreciated over the 20-month term of the lease. The lease was terminated effective December 1, 2022 (See Note 8).

Balance, January 1, 2022	\$ 60,297
Additions	-
Depreciation	(39,016)
Write-off of asset on lease termination	(21,281)
Balance, December 31, 2022 and 2023	\$ -

8. LEASE LIABILITY

On October 1, 2021, the Company entered into a 20-month lease for a field office with lease payments of \$3,600 per month. The Company recorded the office lease as a right-of-use asset and lease liability. At the commencement of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments were discounted using an incremental borrowing rate of 10% per annum.

The lease was terminated effective December 1, 2022.

The continuity of lease liabilities for the years ended December 31, 2023 and 2022 is presented below:

Balance, January 1, 2022	\$ 57,316
Additions	-
Interest expense	3,442
Lease payments	(39,600)
Termination of lease	(21,158)
Balance, December 31, 2022 and 2023	\$ -

9. SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value. As at December 31, 2023, the Company had 165,773,322 common shares outstanding (December 31, 2022 – 91,869,989).

- i) In May 2023, the Company closed a non-brokered private placement for gross proceeds of \$528,500 from the issuance of 10,570,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one share at a price of \$0.075 for a period of 36 months following the date of issuance. Of the gross proceeds, \$175,997 was assigned to the warrant component of the units.

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9. SHARE CAPITAL (continued)

In connection with the private placement, the Company paid cash share issue costs of \$28,638 which included cash finder fees of \$17,600. A value of \$9,537 of the cash issue costs has been allocated to the warrant component of the units. In addition, the Company issued an aggregate of 352,000 finder warrants, which have the same term as the warrants issued with the private placement units. The finders' warrants were valued at \$5,975 with a value of \$1,990 being allocated to warrants.

The Black-Scholes option pricing model was used to calculate the fair value of the warrants and finders' warrants issued in the private placement (assuming a risk-free interest rate of 3.48%, an expected life of 36 months, share price of \$0.03, expected volatility of 103.9% based on volatility of comparable companies and an expected dividend of 0%).

Subscriptions by related parties of the Company accounted for \$275,000 of the gross proceeds of the private placement.

- ii) In June 2023, the Company issued 3,333,333 shares valued at \$83,333, based on the quoted market price of the Company's shares on the date of issue, pursuant to the Quadro Option Agreement.
- iii) In September 2023, the Company closed a non-brokered private placement for gross proceeds of \$3,000,000 from the issuance of 60,000,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share of the Company and 0.5 of one common share purchase warrant with each whole warrant exercisable to acquire one common share at a price of \$0.075 for a period of 36 months following the date of issuance. Of the gross proceeds, \$618,544 was assigned to the warrant component of the units.

In connection with the private placement, the Company paid cash share issue costs of \$71,350. A value of \$14,711 of the cash issue costs has been allocated to the warrant component of the units. No finder's fees were paid in connection with the financing.

The Black-Scholes option pricing model was used to calculate the fair value of the warrants issued in the private placement (assuming a risk-free interest rate of 4.42%, an expected life of 36 months, share price of \$0.04, expected volatility of 100.88% based on volatility of comparable companies and an expected dividend of 0%).

- iv) On December 11, 2023, the Company commenced a Normal Course Issuer Bid ("NCIB") to purchase and cancel up to 9,668,743 of its common shares. The NCIB will conclude on December 10, 2024, or earlier if the maximum number of common shares sought in the NCIB has been repurchased, or if the Company deems it appropriate to conclude the NCIB before the specified end date. As of December 31, 2023, the Company purchased and held 862,000 common shares at an average price of \$0.03 per share and incurred fees of \$4,752.
- v) In February 2022, the Company issued 800,000 shares valued at \$112,000, based on the quoted price of the Company's shares on the date of issue, pursuant to the Golden Rose Altius Agreement. (Note 12)
- vi) In May 2022, the Company closed a non-brokered private placement for gross proceeds of \$1,468,800 from the issuance of 6,347,142 Flow-Through units ("FT Units") and 3,101,600 hard dollar units ("HD Units") on May 17, 2022 and 200,000 FT Units and 1,316,000 HD Units on May 18, 2022.

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9. SHARE CAPITAL (continued)

Each FT Unit was offered at \$0.14 per unit and consisted of one flow-through common share in the capital of the Company and one flow-through common share purchase warrant exercisable for one non-flow-through common share in the capital of the Company at a price of \$0.16 for 24 months from the date of issuance. Of the \$916,600 gross proceeds from the issuance of FT Units, \$272,583 was assigned to the warrant component of the units. A flow-through premium of \$98,207 was recognized with respect to the issuance of these FT units.

Each HD Unit was offered at \$0.125 per unit and consisted of one share and one common share purchase warrant exercisable for one additional share at a price of \$0.16 for 24 months from the date of issuance. Of the \$552,200 gross proceeds from the issuance of HD Units, \$157,504 was assigned to the warrant component of the units.

In connection with the Offering, the Company paid cash share issue costs of \$103,420 which included cash finders' fees of \$67,501. A value of \$30,411 of the cash issue costs was allocated to the warrant component of the units. In addition, the Company issued 494,900 finders' warrants ("Finders' Warrants") which have the same terms as the warrants issued with the private placement units. The Finders' Warrants were valued at \$19,996 with a value of \$5,895 being allocated to warrants.

The Black-Scholes option pricing model was used to calculate the fair value of the warrants and Finders' Warrants issued in the private placement (assuming a risk-free interest rate of 2.76%, an expected life of 24 months, annualized volatility of 101% based on volatility of comparable companies and an expected dividend of 0%).

The Company can elect to accelerate the expiry date of all the warrants issued in the event that the volume-weighted average trading price of the Shares on the TSX Venture Exchange ("TSXV") equals or exceeds \$0.30 for the five (5) preceding trading days, in which case the warrants will expire thirty (30) days after the date that the Company provides written notice of acceleration.

Subscriptions by related parties accounted for \$171,250 of the gross proceeds of the Offering.

- vii) In July 2022, the Company issued 100,000 shares valued at \$8,000 based on the quoted price of the Company's shares on the date of issue, pursuant to the King George IV option agreement. (Note 13)
- viii) In August 2022, the Company issued 1,084,171 shares valued at \$92,155 based on the quoted price of the Company's shares on the date of issue, pursuant to the Quadro Option Agreement. (Note 12)
- ix) In November 2022, the Company issued 1,400,000 shares valued at \$91,000 based on the quoted price of the Company's shares on the date of issue, pursuant to the exercise of the Altius Option Agreement. In addition, the Company issued 600,000 shares valued at \$46,500 based on the quoted price of the Company's shares on the date of issue, pursuant to the exercise of the King George IV Option agreement. (Note 13)
- x) On December 21, 2022, the Company closed a non-brokered private placement for gross proceeds of \$617,000 from the issuance of 7,700,000 Flow-Through units ("FT Units") and 2,118,182 hard dollar units ("HD Units").

Each FT Unit was offered at \$0.065 per unit and consisted of one flow-through common share in the capital of the Company and one-half of a flow-through common share purchase warrant with each full flow-through warrant exercisable for one non-flow-through common share in the capital of the Company at a price of \$0.10 for 24 months from the date of issuance. Of the \$500,500 gross proceeds from the issuance of FT Units, \$79,589 was assigned to the warrant component of the

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9. SHARE CAPITAL (continued)

units. A flow-through premium of \$184,434 was recognized with respect to the issuance of these FT units.

Each HD Unit was offered at \$0.055 per unit and consisted of one share and one common share purchase warrant exercisable for one additional share at a price of \$0.08 for 36 months from the date of issuance. Of the \$116,500 gross proceeds from the issuance of HD Units, \$39,616 was assigned to the warrant component of the units.

In connection with the Offering, the Company paid cash share issue costs of \$49,357 which included cash finders' fees of \$38,885. A value of \$8,904 of the cash issue costs was allocated to the warrant component of the units. In addition, the Company issued 609,000 finders' warrants ("Finders' Warrants") which have the same terms as the FT warrants issued with the FT units. The Finders' Warrants were valued at \$12,667 with a value of \$1,463 being allocated to warrants.

The Black-Scholes option pricing model was used to calculate the fair value of the flow-through warrants and Finders' Warrants issued in the private placement (assuming a risk-free interest rate of 3.72%, an expected life of 24 months, annualized volatility of 96.96% based on volatility of comparable companies and an expected dividend of 0%).

The Black-Scholes option pricing model was used to calculate the fair value of the warrants issued with the HD units (assuming a risk-free interest rate of 3.48%, an expected life of 36 months, annualized volatility of 106.85% based on volatility of comparable companies and an expected dividend of 0%).

Subscriptions by related parties accounted for \$45,000 of the gross proceeds of the Offering.

10. SHARE PURCHASE WARRANT RESERVE

As at December 31, 2023, the following warrants were outstanding:

Expiry Date	Exercise price \$	Number of warrants	Remaining contractual life (years)
March 4, 2024	0.35	15,285,780	0.18
March 4, 2024 (finder)	0.35	526,257	0.18
May 17, 2024	0.16	9,448,742	0.38
May 17, 2024 (finder)	0.16	389,900	0.38
May 18, 2024	0.16	1,516,000	0.38
May 18, 2024 (finder)	0.16	105,000	0.38
June 17, 2024	0.35	12,960,186	0.46
June 17, 2024 (finder)	0.35	1,036,814	0.46
December 21, 2024	0.10	3,850,000	0.98
December 21, 2024 (finder)	0.10	609,000	0.98
December 21, 2025	0.08	2,118,182	1.98
May 2, 2026	0.075	10,570,000	2.34
May 2, 2026 (finder)	0.075	352,000	2.34
September 5, 2026	0.075	30,000,000	2.68
		88,767,861	1.44

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10. SHARE PURCHASE WARRANT RESERVE (continued)

The following is a summary of warrant transactions for the years ended December 31, 2023 and 2022.

	Number of warrants	Weighted average exercise price
Balance as at December 31, 2021	30,433,310	\$ 0.35
Transactions during the year:		
Warrants issued	18,036,824	0.14
Balance as at December 31, 2022	48,470,134	\$ 0.27
Transactions during the year:		
Warrants issued	40,922,000	0.075
Warrants voluntarily forfeited	(624,273)	0.35
Balance as at December 31, 2023	88,767,861	\$ 0.18

11. SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares at the time of the most recent grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company.

As at December 31, 2023, the following options were outstanding:

Expiry date	Exercise price \$	Number of options outstanding	Weighted average remaining contractual life (years)	Number of options vested and exercisable	Weighted average remaining contractual life (years)
May 26, 2025	0.105	750,000	1.40	750,000	1.40
January 5, 2026	0.065	250,000	2.01	150,000	2.01
February 8, 2026	0.065	200,000	2.11	50,000	2.11
December 15, 2026	0.050	6,450,000	2.96	6,450,000	2.96
		7,650,000	2.75	7,400,000	2.77

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11. SHARE-BASED PAYMENTS (continued)

The following is a summary of stock option transactions for the years ended December 31, 2023 and 2022:

	Number of options	Weighted average exercise price
Options outstanding, December 31, 2021	5,690,000	\$ 0.26
Transactions during the year:		
Options granted	5,460,000	0.14
Options forfeited	(631,250)	0.26
Options cancelled	(2,590,000)	0.32
Options expired	(1,168,750)	0.23
Options outstanding, December 31, 2022	6,760,000	\$ 0.15
Transactions during the year:		
Options granted	6,900,000	0.05
Options forfeited	(438,750)	0.16
Options cancelled	(4,425,000)	0.16
Options expired	(1,146,250)	0.15
Options outstanding, December 31, 2023	7,650,000	\$ 0.056
Options exercisable, December 31, 2023	7,400,000	\$ 0.056

In January 2023, the Company granted 250,000 options to an officer. The options have an exercise price of \$0.065 per share and a 3-year term. Of these options, an aggregate of 50,000 vested immediately; 100,000 vest in 6 months from the grant date; and the remaining 100,000 vest 18 months from the grant date. The fair value of the stock options granted was estimated to be \$0.03 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 3.77%, expected volatility – 107%, expected dividend yield – 0%, expected life – 3 years, share price \$0.055.

In February 2023, the Company granted 200,000 options to a director. The options have an exercise price of \$0.065 and a 3-year term. Of these options, 50,000 vested immediately and the remaining 150,000 vest 12 months from the grant date. The fair value of the stock options granted was estimated to be \$0.04 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 3.61%, expected volatility – 107%, expected dividend yield – 0%, expected life – 3 years, share price \$0.065.

In May 2023, an aggregate of 4,425,000 options ranging in exercise price from \$0.14 to \$0.28 per share were voluntarily cancelled by officers, directors, employees and consultants.

In December 2023, the Company granted 6,450,000 options to directors, officers, employees and consultants. The options have an exercise price of \$0.05 and a 3-year term and vested immediately. The fair value of the stock options granted was estimated to be \$0.02 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 3.76%, expected volatility – 104%, expected dividend yield – 0%, expected life – 3 years, share price \$0.05.

On January 13, 2022, the Company granted 200,000 stock options to a consultant in accordance with the Company's stock option plan. These stock options have a 3-year term and an exercise price of \$0.23 each. The options vest 50% on the first anniversary of the option grant and 50% on the second anniversary. The fair value of the stock options granted was estimated to be \$0.113 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 1.21%, expected volatility – 120.42%, expected dividend yield – 0%, expected life – 3 years, share price \$0.17.

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11. SHARE-BASED PAYMENTS (continued)

See Note 16.

In April 2022, 2,590,000 options ranging in exercise price from \$0.26 to \$0.385 were voluntarily cancelled in exchange for aggregate compensation of \$25,900.

On June 1, 2022, 4,560,000 options were granted to certain employees and consultants of the Company. The options are exercisable for \$0.14 per common share for a period of 3 years. Of these options an aggregate of 1,115,000 vested immediately; 2,230,000 vest in 12 months from grant date; and the remaining 1,215,000 vest only upon the achievement of a variety of specified corporate milestones. The fair value of the stock options granted was estimated to be \$0.065 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 2.79%, expected volatility – 109.7%, expected dividend yield – 0%, expected life – 3 years, share price \$0.105.

On September 23, 2022, the Company granted 700,000 stock options to consultants in accordance with the Company's stock option plan. These stock options have a 3-year term and an exercise price of \$0.14 each, and vest immediately. The fair value of the stock options granted was estimated to be \$0.02 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 3.70%, expected volatility – 106.37%, expected dividend yield – 0%, expected life – 3 years, share price \$0.045.

During the year ended December 31, 2023, the Company recognized share-based compensation expense \$206,779 (2022 –\$301,825).

12. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenditures for the Company's active properties incurred from inception to December 31, 2023 are presented below.

	Golden Rose	Twilite Gold	Total
Acquisition Costs:			
Balance, December 31, 2022	\$ 2,865,937	\$ 508,471	\$3,374,408
Additions during the year	157,818	3,250	161,068
Balance, December 31, 2023	3,023,755	511,721	3,535,476
Exploration Expenditures:			
Balance, December 31, 2022	5,004,028	482,677	5,486,705
Camp costs, field supplies and equipment rentals	257,460	-	257,460
Prospecting and geological (including trenching)	422,436	-	422,436
Geophysical surveys and structural mapping	127,664	-	127,664
Sampling	37,122	-	37,122
Other	14,735	1,500	16,235
Additions during the year	859,417	1,500	860,917
Balance, December 31, 2023	5,863,445	484,177	6,347,622
Total, December 31, 2023	\$ 8,887,200	\$ 995,898	\$9,883,098

During 2023, the Company incurred \$67,472 of exploration and evaluation expenditures in performance of the services required pursuant to a Geological Services Contract with Lynx Resources Corp.

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12. EXPLORATION AND EVALUATION EXPENDITURES (continued)

The exploration and evaluation expenditures for active properties incurred from inception to December 31, 2022 are presented below.

	Golden Rose	Twilite Gold	Stony Lake	Gander West	Total
Acquisition Costs:					
Balance, December 31, 2021	\$ 2,452,075	\$ 508,471	\$ 765,150	\$ 465,000	\$ 4,190,696
Additions during the year	413,862	-	-	-	413,862
Balance, December 31, 2022	2,865,937	508,471	765,150	465,000	4,604,558
Exploration Expenditures:					
Balance, December 31, 2021	2,351,682	493,458	24,816	49,641	2,919,597
Camp costs, field supplies and equipment rentals	724,338	-	-	-	724,338
Prospecting and geological	752,048	12,024	7,004	-	771,076
Geophysical survey	554,616	-	-	-	554,616
Sampling	283,523	9,195	1,554	-	294,272
Trenching and drilling	335,133	-	-	-	335,133
Other	2,688	-	-	13,188	15,876
Additions during the year	2,652,346	21,219	8,558	13,188	2,695,311
Recoveries during the year	-	(32,000)	-	-	(32,000)
Balance, December 31, 2022	5,004,028	482,677	33,374	62,829	5,582,908
Total, December 31, 2022	\$7,869,965	\$ 991,148	\$798,524	\$527,829	\$ 10,187,466

The exploration and evaluation properties for the Company consist of the following:

Golden Rose Project (Altius Option Agreement)

On February 23, 2021, the Company entered into an option agreement ("Option Agreement") with a subsidiary of TSX-listed Altius Minerals Corporation ("Altius") for the option to purchase the Golden Rose Project located in the Central Newfoundland Gold Belt. In order to exercise this option and acquire the Golden Rose Project, TRU is required to make a series of common share issuances to Altius, and incur exploration expenditures on the Golden Rose Project, as follows:

- (i) issue 7,140,000 common shares on the closing date of the Option Agreement (the "Initial Shares"), being May 11, 2021 (issued for value of \$2,070,600 based on the closing share price at the date of issuance);
- (ii) issue 800,000 common shares on or before the date that is one (1) month from the Closing Date (issued for value of \$232,000 based on the closing share price at the date of issuance);
- (iii) issue 800,000 common shares on or before the date that is twelve (12) months from the date of the Option Agreement (the "Option Agreement Date"), i.e. by February 23, 2022 (issued for value of \$112,000 based on the closing share price at date of issuance);

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12. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Golden Rose Project (Altius Option Agreement) (continued)

- (iv) issue 1,400,000 common shares on or before the date that is twenty-four (24) months from the Option Agreement Date, i.e. by February 23, 2023 (together with the common shares issued in (ii) through (iv), collectively, the “Additional Shares”) (issued for value of \$91,000 based on the closing share price at date of issuance);
- (v) incur exploration expenditures of \$500,000 within twelve (12) months of the Option Agreement Date, i.e. by February 23, 2022 (incurred);
- (vi) incur additional exploration expenditures of \$1,000,000 within twenty-four (24) months of the Option Agreement Date, i.e. by February 23, 2023 (incurred); and
- (vii) incur additional exploration expenditures of \$1,500,000 within thirty-six (36) months of the Option Agreement Date, i.e. by February 23, 2024 (together with the exploration expenditures incurred in (v) through (vii), collectively, the “Exploration Expenditures”) (incurred).

In addition, TRU had to raise cumulative gross cash proceeds of not less than \$3,000,000 through certain equity financings within 24 months of the date of the Option Agreement. This condition was satisfied by the May 2021 Offering.

Altius shall retain a maximum 2.0% net smelter returns royalty (the “Altius NSR”) on any future minerals production from the Golden Rose Project, subject to any pre-existing royalty obligations to third parties, including the Rose Royalty (as defined below). Altius shall also retain the benefit of any buyback provisions of any such pre-existing royalties.

In addition, Altius also assigned the amended and restated option and royalty agreement between Altius and Shawn Rose dated November 24, 2020, as amended on February 22, 2021 (the “Underlying Agreement”) to TRU. Pursuant to the Underlying Agreement, Altius was granted the option to acquire certain mineral claims known as “Rose Gold” in the Province of Newfoundland and Labrador, which claims form part of what is now known as the Company’s Golden Rose Project.

In order to exercise the Shawn Rose option to acquire Rose Gold, TRU must: (i) make a payment of \$22,500, or equivalent amount of common shares, as determined by Shawn Rose in his sole discretion, on November 30, 2021 (paid); (ii) make a payment of \$37,500 (or equivalent amount of common shares, as determined by Shawn Rose in his sole discretion) on November 30, 2022 (paid); and (iii) grant a 2.0% net smelter returns royalty to Shawn Rose (the “Rose Royalty”). If any or all of Rose Gold achieves a National Instrument 43-101 defined measured and indicated mineral resource equal to at least one million gold ounces (at 1 g/t cut-off), TRU must make an additional cash payment of \$250,000 to Shawn Rose.

The Company exercised the Altius and Shawn Rose options agreements in November 2022.

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12. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Golden Rose Project (King George IV Claims)

On July 13, 2021 the Company entered into an option agreement in respect of certain mineral licenses covering contiguous claims that are contiguous with the Company's flagship Golden Rose Project.

In order to acquire a 100% interest in the claims, the Company must make the following cash payments and issue the following common shares in the capital of the Company:

Share Issuances	Cash Payments	Deadline
100,000 shares (issued for value of \$23,500 based on the closing share price at the date of issuance)	\$25,000 (paid)	Upon signing
100,000 shares (issued for value of \$8,000 based on the closing share price at the date of issuance)	\$25,000, payable at the Company's discretion in cash or shares (Cash paid)	On or before July 13, 2022
100,000 shares (issued for value of \$6,500 based on closing share price at the date of issuance)	\$40,000, payable at the Company's discretion in cash or shares (500,000 shares issued in lieu of cash)	On or before July 13, 2023
300,000 shares in total	\$90,000 in total	

In addition, the Company must fund \$50,000 in exploration expenditures on the claims on or before July 13, 2022. (incurred)

In November 2022, the Company exercised the King George IV option.

TRU will grant the optionor a 2.0% net smelter returns royalty from any future mineral production at the claims, of which 1.0% can be repurchased by the Company for \$1,000,000 at any time.

Should the Company define a National Instrument 43-101-compliant measured and indicated mineral resource estimate equal to at least 1,000,000 gold ounces (at 1 g/t cut-off) on the claims, the Company shall make an additional cash payment of \$250,000 to the optionor.

Golden Rose Project (Woods Lake Claims)

On July 21, 2021, the Company completed the asset purchase of a claims package contiguous with the Golden Rose Project. The claims package is comprised of certain claims and licenses. The vendors received an aggregate of 80,000 common shares of the Company as consideration (issued for a value of \$19,200 based on the closing share price at the date of issuance).

Golden Rose Project (Northcott claim)

On November 12, 2021, the Company completed the asset purchase of a mineral license contiguous with the Golden Rose Project. The vendor received an aggregate of \$25,000 cash and 135,000 common shares of the Company as consideration (issued for a value of \$21,600 based on the closing share price at the date of issuance). In addition, the vendor was granted a 2.0% net smelter returns royalty from any future mineral production at the claims, of which 1% can be repurchased for \$1,000,000.

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12. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Golden Rose Project (Staghorn claims)

In August 2022, the Company closed a definitive option agreement (the “Quadro Option Agreement”) with Quadro Resources Ltd. (“Quadro”), pursuant to which the Company has been granted the option to acquire up to an aggregate 65% ownership in Quadro’s Staghorn Project in two stages.

In order to acquire an initial 51% interest in the Staghorn Project, TRU must make the following payments, issue the following shares in the capital of TRU, and incur the following exploration and drilling expenditures on the Staghorn Project on or before the corresponding dates set forth below:

Date	Purchase Consideration	Exploration and Drilling Expenditures
Upon the effective (closing) date of the Option Agreement (the “Effective Date”)	\$100,000 in shares, at a deemed price (the “Issuance Price”) equal to the greater of: (a) the volume-weighted average trading price of the shares on the TSX Venture Exchange (the “Exchange”) for the twenty (20) previous consecutive trading days; and (b) the lowest discounted price permitted pursuant to the policies of the Exchange.	Nil
On or before the first year anniversary of the Effective Date	(i) \$25,000 in cash; and (ii) \$100,000 in shares at the Issuance Price	Exploration expenditures of an aggregate of \$200,000, including a minimum of \$120,000 of drilling activity
On or before the second year anniversary of the Effective Date	(i) \$100,000 in cash; and (ii) \$150,000 in shares at the Issuance Price	Exploration expenditures of an aggregate of a further \$300,000, including a minimum of a further \$180,000 of drilling activity
On or before the third year anniversary of the Effective Date	Nil	Exploration expenditures of an aggregate of a further \$600,000, including a minimum of a further \$360,000 of drilling activity

Upon acquiring the initial 51% interest in the Staghorn Project, TRU may acquire an additional 14% interest by doing the following: (i) paying \$200,000 in cash; (ii) issuing \$250,000 in shares at the Issuance Price; and (iii) incurring an additional \$850,000 of exploration expenditures, including a minimum of \$510,000 of drilling activity.

In August 2022, the Company issued 1,084,171 shares valued at \$92,155 based on the closing share price on the date of issuance, pursuant to the Quadro Option Agreement.

In June 2023, the Company paid \$25,000 cash and issued 3,333,333 shares valued at \$83,333, based on the closing share price on the date of issuance, pursuant to the Quadro Option Agreement.

12. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Golden Rose Project (Staghorn claims) (continued)

The Quadro Option Agreement was amended in April and June 2023. The amendments deferred the drilling commitments from the first and second year anniversary dates to October 15, 2023. If the drilling commitment of \$300,000 is not fulfilled by October 15, 2023, the Company would pay \$25,000 for each calendar quarter until the commitment is fulfilled.

Golden Rose Project (Other)

In January 2023, the Company completed an asset purchase of certain mineral claims. As consideration for the acquisition, the Company paid \$16,000 cash and granted a 1% NSR in respect of the acquired claims, which royalty can be fully repurchased for \$1,000,000. In addition, in the event the Company delineates a measured and/or indicated mineral resource estimate equal to at least 1,000,000 ounces of gold contained within the acquired claims, the Company shall make an additional one-time cash payment of \$250,000 to the vendors.

Twilite Gold Project

On November 9, 2020, the Company completed an asset purchase agreement with GBC Grand Exploration Inc. ("GBC"), pursuant to which TRU agreed to purchase various mineral claims located in Central Newfoundland known as Twilite Gold (the "Twilite Gold Project"), along with all related permits and technical data. GBC received the following consideration: (i) 1,435,000 common shares at a fair value of \$416,150 based on the closing share price of the shares at date of issuance; (ii) \$100,000 cash; and (iii) a 1.0% net smelter returns royalty from any future mineral production at the Twilite Gold Project, of which 0.5% can be repurchased by TRU for \$1,000,000. The Twilite Gold Project is currently subject to a 2.0% net smelter returns royalty owing to prior owners, of which 1.0% can be repurchased for \$1,000,000.

GBC is entitled to receive up to an additional 1,000,000 common shares of the Company in the event certain mineral deposit discovery milestones are achieved at the Twilite Gold Project.

In August 2022, the Company entered into an option agreement (the "Twilite Option Agreement") with Eastern Precious Metals Corp., pursuant to which Eastern was granted the option to acquire a 100% interest in the Twilite Gold Project.

In order to acquire the 100% interest, Eastern was to issue to TRU the number of common shares, or other securities which are convertible into common shares for no additional consideration, in the capital of Eastern ("Shares") and was to fund minimum exploration expenditures as follows:

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12. EXPLORATION AND EVALUATION EXPENDITURES (Continued)

Twilite Gold Project (continued)

Date	Share Issuances	Minimum Exploration Funding Commitments
August 15, 2022 (the "Effective Date")	1,000,000 Shares, at a deemed issue price of \$0.10	Nil
Upon TRU delivering the Technical Report (as defined below):	1. Within 75 days of the Effective Date: an additional 1,500,000 Shares at a deemed issue price per Share equal to \$0.10; OR 2. Between 76 and 100 days of the Effective Date: an additional 1,000,000 Shares at a deemed issue price per Share equal to \$0.10.	Nil
On or before the one-year anniversary of the listing of Eastern's common shares on a recognized Canadian stock exchange (the "Listing Date")	Nil	\$100,000
On or before the two-year anniversary of the Listing Date	Nil	An additional \$100,000
On or before the three-year anniversary of the Listing Date	Such number of Shares as is equal in value to \$150,000 at a deemed price per share equal to the closing price of the Shares on the applicable recognized Canadian stock exchange on the day immediately prior to the Share issuance	An additional \$250,000

If Eastern did not list its common shares on a Canadian stock exchange within seven months from the Effective Date, the Company would be issued 1,000,000 additional Shares at a deemed price of \$0.10 per share for no additional consideration.

In August 2022, the Company received 1,000,000 special warrants of Eastern Precious Metals Corp. pursuant to the terms of the option agreement. The special warrants entitled the holder to acquire one common share of Eastern for each special warrant held, without the payment of additional consideration. The special warrants were valued at \$50,000 based on the estimated fair value at the time of receipt. In October 2022, an additional 1,500,000 special warrants were received and were valued at \$75,000 based on the estimated fair value at the time of receipt. Given that Eastern was unable to obtain a listing within seven months of the effective date, in May 2023 the Company received 1,000,000 additional special warrants valued at \$100,000 based on the estimated fair value at time of receipt. (see Note 5 and 7).

In September 2023, TRU and Eastern mutually agreed to terminate the Twilite Option Agreement. TRU surrendered its special warrants to acquire Eastern shares, but retains 100% ownership of Twilite.

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12. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Gander West Property

During 2023, the Company allowed its mineral license for the Gander West Property to lapse.

Stony Lake Property

In December 2022, the Company decided to allow its mineral license for the Stony Lake Property to lapse.

Grants and Refunds

The Company's exploration activities qualify for various grants and refunds from the government of Newfoundland. As of December 31, 2023, \$119,850 (December 31, 2022 - \$93,100) of expected grants and refunds are included in amounts receivable and have been applied against the related costs within exploration and evaluation expenditures.

Restoration and Environmental Obligations

As at December 31, 2023, \$47,500 (December 31, 2022- \$52,500) was recorded for the restoration and environmental obligation related to the Company's mineral claims. Discounting of the obligation has not been performed as the reclamation work is expected to occur within the next 12 months therefore, the effect of the time value of money was not material.

13. RELATED PARTY TRANSACTIONS

In the course of regular business activities, the Company has transactions with related parties. Such transactions are as follows:

Compensation of directors and key management personnel

	Year ended	
	December 31, 2023	December 31, 2022
Management fees and salaries	\$ 475,000	\$ 502,536
Exploration and evaluation expenses	132,093	61,500
Share issuance costs	15,000	-
Directors' fees and expenses	36,489	63,500
Administrative costs	27,000	16,500
Share-based compensation	105,316	130,296
	\$ 790,898	\$ 774,332

The remuneration of directors and key executives are determined by the Board of Directors having regard to their respective performance, compensation levels at comparable companies, and market trends.

Effective May 1, 2022, the Company entered into a corporate services agreement for corporate secretarial services and rent with a company controlled by a director and officer of the Company. The corporate secretarial charges are included in management fees while rent is included in administrative costs.

In May 2023, certain officers and directors and companies controlled by them voluntarily cancelled 1,250,000 options with exercise prices ranging from \$0.14 to \$0.28 per share and 312,272 warrants with an exercise price of \$0.35 per share.

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13. RELATED PARTY TRANSACTIONS (continued)

In April 2022, certain officers and directors voluntarily cancelled 1,765,000 options with exercise prices ranging from \$0.26 to \$0.385 per share.

In April 2023, the Company paid consulting and corporate advisory fees to a company controlled by a director and officer of the Company. The fees are classified as share issuance costs as they relate to the Ormonde strategic financing. (Note 9)

Effective November 1, 2023, the Company entered into a technical services agreement with Ormonde Mining plc whereby Ormonde would provide technical consulting, primarily including the services of a Project Evaluation Advisor, to TRU on a cost basis. Ormonde is a related party by virtue of its board representation.

During the year ended December 31, 2023, certain officers and directors and companies controlled by them participated in the Company's May private placement as described in Note 9(iii) and subscribed for an aggregate of 5,500,000 units for gross proceeds of \$275,000.

During the year ended December 31, 2022, certain officers, directors and companies controlled by them participated in the Company's May and December private placements as described in Note 9(vi) and (x) and subscribed for an aggregate of 1,361,600 units for gross proceeds of \$171,250 and 818,182 units for gross proceeds of \$45,000 respectively.

At December 31, 2023, \$42,182 (2022: \$12,000) due to related parties is included in accounts payables and accrued liabilities. These amounts are unsecured, non-interest bearing and due on demand.

14. INCOME TAXES

a) Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2022– 26.5%) to the effective tax rate is as follows:

	2023	2022
Loss before income taxes	\$ (2,143,175)	\$ (4,218,426)
Expected income tax recovery based on statutory rate	(568,000)	(1,118,000)
Share-based compensation	55,000	80,000
Flow-through renunciation	84,000	515,000
Expenses non-deductible for tax purposes	1,000	2,000
Other	15,000	(22,000)
Capital loss	-	(10,000)
Change in benefit of tax assets not recognized	413,000	553,000
Deferred income tax provision (recovery)	\$ -	\$ -

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14. INCOME TAXES (continued)

b) Deferred income taxes

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Recognized deferred tax assets and liabilities:

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2023	2022
Investments	\$ -	\$ 16,000
Capital loss carryforwards	-	(16,000)
	\$ -	\$ -

Unrecognized deferred tax assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2023	2022
Non-capital loss carry-forwards	\$ 4,993,000	\$ 3,969,000
Capital loss carry-forwards	136,000	74,000
Share issue costs	455,000	525,000
Mineral property costs	6,421,000	5,774,000
Other temporary differences	93,000	93,000
	\$ 12,098,000	\$ 10,435,000

The tax losses expire from 2027 to 2043. The other temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

15. COMMITMENTS AND CONTINGENCIES

The Company was obligated to spend \$500,500 by December 31, 2023 as part of the flow-through funding agreement for shares issued in the December 2022 private placement. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments. During 2023, the Company believes that it has incurred all of the required eligible flow through expenditures to satisfy the flow-through commitment.

15. COMMITMENTS AND CONTINGENCIES (continued)

There are many transactions and calculations for which the ultimate tax determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, for time to time, certain matters are reviewed and challenged by the tax authorities. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities.

The Company is required to make certain cash payments, incur exploration costs, and issue shares to maintain its mineral properties in good standing. These payments, costs and share issuances are at the Company's discretion and are based upon available financial resources and the exploration merits of the mineral properties, which are evaluated on a periodic basis.

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

Property related commitments and contingencies, including royalties - See Note 12.

At December 31, 2023, the Company was party to three personnel contracts which require the Company to pay an aggregate of \$297,000 upon the occurrence of certain events such as change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements.

16. SUBSEQUENT EVENTS

- i) In March 2024, 15,812,037 warrants exercisable at \$0.35 per share expired.
- ii) In January 2024, 100,000 options exercisable at \$0.065 per share were forfeited.
- iii) Subsequent to year end, the Company purchased 2,286,000 common shares at an average price of \$0.027 per share pursuant to its NCIB.