

APEX RESOURCES INC.
(an exploration stage company)

FINANCIAL STATEMENTS

MARCH 31, 2024
(Expressed in Canadian Dollars)

APEX RESOURCES INC.

(an exploration stage company)
Statements of Financial Position
(Expressed in Canadian dollars)

	Note	March 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		\$ 40,530	\$ 34,631
Receivables		42,975	43,004
Prepaid expenses		1,402	2,098
Short-term investments	5	42,167	37,667
		127,074	117,400
Non-current assets			
Exploration and evaluation assets	4	2,920,834	2,920,834
Credit card deposit	6	17,250	17,250
Advance		2,000	2,000
Reclamation deposits		33,620	33,620
		\$ 3,100,778	\$ 3,091,104
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 397,623	\$ 102,176
Related party payable and accrued liabilities	8	47,750	353,300
Share subscription payable	12(b)	21,000	-
		466,373	455,476
Non-current liabilities			
Loans payable	9	150,000	110,000
		616,373	565,476
EQUITY			
Share capital	7	23,710,126	23,710,126
Warrants reserve	7	989,135	989,135
Share-based payments reserve	7	3,776,124	3,776,124
Deficit		(25,990,980)	(25,949,757)
		2,484,405	2,525,628
		\$ 3,100,778	\$ 3,091,104

Approved and authorized for issue by the Board on May 30, 2024.

(Signed) "Jay Roberge"

Director

(Signed) "Adam Pankratz"

Director

See the accompanying notes to these financial statements.

APEX RESOURCES INC.

(an exploration stage company)

Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

		Three months ended March 31,	
	Note	2024	2023
Expenses:			
Directors' fees	8	\$ -	\$ 13,500
Insurance		696	665
Interest and other		105	55
Legal, accounting and audit		4,104	13,165
Office and administration		3,613	9,120
Consulting and management fees	8	35,000	60,000
Shareholder communications		2,205	2,236
Loss before other items		(45,723)	(98,741)
Other items:			
Interest income		-	423
Unrealized (loss) gain on short-term investments	5	4,500	1,666
Net loss and comprehensive loss for the period		\$ (41,223)	\$ (96,651)
Weighted average number of common shares outstanding - basic and diluted			
		36,162,445	35,872,445
Loss per share, basic and diluted		\$ (0.00)	\$ (0.00)

See the accompanying notes to the financial statements.

APEX RESOURCES INC.

(an exploration stage company)

Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

Common shares without par value							
	Note	Number of shares	Share capital	Warrants reserve	Share-based payments reserve	Deficit	Total shareholders' equity
Balance, December 31, 2022		35,662,445	\$ 23,667,626	\$ 989,135	\$ 3,776,124	\$ (25,622,228)	\$ 2,810,657
Shares issued for property payments	4(i)	500,000	42,500	-	-	-	42,500
Net loss for the period		-	-	-	-	(96,651)	(96,651)
Balance, March 31, 2023		36,162,445	23,710,126	989,135	3,776,124	(25,718,879)	2,756,506
Balance, December 31, 2023		36,162,445	23,710,126	989,135	3,776,124	(25,949,757)	2,525,628
Net loss for the period		-	-	-	-	(41,223)	(41,223)
Balance, March 31, 2024		36,162,445	\$ 23,710,126	\$ 989,135	\$ 3,776,124	\$ (25,990,980)	\$ 2,484,405

See the accompanying notes to the financial statements.

APEX RESOURCES INC.

(an exploration stage company)

Statements of Cash Flows

(Expressed in Canadian dollars)

	Note	Three months ended March 31, 2024	Three months ended March 31, 2023
Operating activities			
Net loss for the period		\$ (41,223)	\$ (96,651)
Items not involving cash:			
Unrealized loss (gain) on short-term investments	5	(4,500)	(1,666)
Changes in non-cash operating working capital			
Receivables		29	(4,247)
Prepaid expenses		696	665
Accounts payable and accrued liabilities		300,447	(18,537)
Related party payable and accrued liabilities		(310,550)	-
		(55,101)	(120,436)
Investing activities:			
Mineral property exploration and evaluation costs	4	-	(4,146)
		-	(4,146)
Financing activities:			
Proceeds from loans		40,000	-
Proceeds from share subscription payable		21,000	-
		61,000	-
Change in cash during the period		5,899	(124,582)
Cash, beginning of period		34,631	189,952
Cash, end of period		\$ 40,530	\$ 65,370

See the accompanying notes to the financial statements.

Supplemental information

Interest received		\$ -	\$ 423
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Non-cash transactions

Shares issued for property payments	4(i)	-	42,500
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APEX RESOURCES INC.

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Notes to financial statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Apex Resources Inc. (the “Company” or “Apex”), incorporated in British Columbia, is a public company listed on the TSX Venture Exchange (“TSX-V”) and trading under the symbol APX. The address of the Company’s registered corporate office and its principal place of business is 625 Howe Street, Suite 615, Vancouver, British Columbia, Canada.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The amounts shown as exploration and evaluation assets represent costs net of recoveries to date, less amounts written off, and do not necessarily represent present or future values. Recoverability of the amounts shown is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the Company’s most recent annual financial statements. These unaudited condensed interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these unaudited condensed interim financial statements should be read in conjunction with the Company’s audited December 31, 2023 annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

These unaudited condensed interim financial statements were authorized for issuance by the Board of Directors on May 30, 2024.

b) Going concern

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the next fiscal year. The Company incurred a net loss of \$41,223 for the three months ended March 31, 2024, a net loss of \$327,529 for the year ended December 31, 2023 and had an accumulated deficit of \$25,990,980 as at March 31, 2024. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is no assurance that it will be able to continue to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

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

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Notes to financial statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONTINUED)

c) Measurement basis

These financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in Note 3 of the Company's audited financial statements for the year ended December 31, 2023. All amounts are expressed in Canadian dollars unless otherwise stated.

d) Significant accounting estimates and judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3. RECENT ACCOUNTING PRONOUNCEMENTS

a) Application of new and revised accounting standards

None of the new standards, and amendments to standards and interpretations effective as of January 1, 2024 applied in preparing these interim financial statements had a significant effect on these financial statements.

b) Accounting standards and amendments issued but not yet effective

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. There were no standards effective for annual periods beginning on or after January 1, 2024 that would significantly affect the Company.

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Notes to financial statements

For the three months ended March 31, 2024 and 2023

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4. EXPLORATION AND EVALUATION ASSETS

Expenditures on interests in mineral properties are considered exploration and evaluation assets.

	Jersey Emerald and Ore Hill		
	British Columbia	Other	TOTAL
Acquisition costs			
As at December 31, 2023	\$ 380,500	\$ 2	\$ 380,502
Incurred during the period	-	-	-
As at March 31, 2024	<u>380,500</u>	<u>2</u>	<u>380,502</u>
Exploration and evaluation assets			
As at December 31, 2022	2,540,332	-	2,540,332
Site activities	-	-	-
As at March 31, 2024	<u>2,540,332</u>	<u>-</u>	<u>2,540,332</u>
Balance, March 31, 2024	\$ 2,920,832	\$ 2	\$ 2,920,834
Acquisition costs			
As at December 31, 2022	\$ 304,000	\$ 2	\$ 304,002
Incurred during the period	76,500	-	76,500
As at December 31, 2023	<u>380,500</u>	<u>2</u>	<u>380,502</u>
Exploration and evaluation assets			
As at December 31, 2022	2,526,560	-	2,526,560
Site activities	13,772	-	13,772
As at December 31, 2023	<u>2,540,332</u>	<u>-</u>	<u>2,540,332</u>
Balance, December 31, 2023	<u>\$ 2,920,832</u>	<u>\$ 2</u>	<u>\$ 2,920,834</u>

Jersey Emerald and Ore Hill Properties, Salmo, British Columbia, Canada

i) Jersey Emerald Property, Salmo, British Columbia

The Company holds a 100% interest in the Jersey Claim Group located near Salmo, British Columbia. The property is comprised of the original 28 crown granted mineral claims, four 2-post claims and 80 mineral units acquired by option in 1993 and several additional properties acquired by staking or by option.

The property is subject to various NSR's associated with the various claims. In particular, the Jersey Emerald property is subject to a 3.0% NSR that can be reduced to 1.5% by making payments of \$500,000 and issuing 50,000 common shares. Annual advance royalty payments of \$50,000 commenced in October 2000. In January 2023, the Company reached an amended agreement with the two original vendors in connection to the advance royalty payments on the Jersey Emerald Property in southeastern British Columbia. Under the terms of the amended agreement, the Company issued 500,000 common shares and will make annual advance royalty payments of \$26,000 to the optionors commencing in 2022. The amended agreement has received TSXV approval. During the quarter ended March 31, 2023, 500,000 common shares were issued to the two optionors (at a deemed price of \$0.085 per share) and \$26,000 was paid to the two original vendors with respect to the year ended December 31, 2022. In addition, the Company is required to make annual advance royalty payments of \$3,000 to the optionor per the option agreement.

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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

ii) Ore Hill Property, Salmo, British Columbia

The Ore Hill Property was acquired by Margaux Resources Ltd. ("Margaux") on February 27, 2017 but reverted to the Company as part of an Area of Interest Inclusion when Margaux terminated the option agreement on the Jersey Emerald Property in October 2018. In order to complete the acquisition of the Ore Hill Property, the Company must complete remaining outstanding option payments to the original property vendors comprised of \$55,000 and 100,000 shares over three years as follows:

	Cash payments	Shares
March 29, 2019 (paid and issued)	\$ 15,000	50,000
March 29, 2020 (paid and issued)	\$ 10,000	50,000
June 30, 2020 (paid)	\$ 10,000	–
March 29, 2022 (paid)	\$ 20,000	–
Total	\$ 55,000	100,000

Ore Hill is subject to a 2% NSR royalty which the Company may purchase for \$250,000 at any time.

5. SHORT-TERM INVESTMENTS

Short-term investments are classified as fair value through profit or loss and measured at fair value with fair value gains and losses recognized in income.

	Number of Shares	Historical Cost	Fair value March 31, 2024	Fair value December 31, 2023
Term deposits – GICs	–	\$ 6,000	\$ 6,000	\$ 6,000
Marketable securities:				
Altair Resources Inc.	33,333	257,500	167	167
Boundary Gold and Copper Mining Ltd.	*15,000	176,251	4,500	4,500
West Mining Corp.	*150,000	472,500	31,500	27,000
Total short-term investments		\$ 912,251	\$ 42,167	\$ 37,667

* On April 20, 2023, Boundary Gold and Copper Mining Ltd. consolidated its share capital on a 20 old shares to 1 new share basis and on November 15, 2023, West Mining Corp. consolidated its share capital on a 10 old shares for 1 new share basis. The number of shares held by the Company have been adjusted to reflect the share consolidations.

6. CREDIT CARD DEPOSIT

The amount of \$17,250 as at March 31, 2024 (December 31, 2023 - \$17,250) represents a three-year guaranteed investment certificate with interest at prime minus 2.95% (December 31, 2023 - prime minus 2.95%), held by the bank as security for the Company's credit card usage.

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7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On January 27, 2023, the Company issued 500,000 common shares to two optionors in connection with the advance royalty payments on the Jersey Emerald Property in southeastern British Columbia (Note 4(i)). The shares had a deemed value of \$0.085 per share for a total of \$42,500.

There were no private placements and share issuance during the quarter ended March 31, 2024.

(c) Stock options

The Company adopted a stock option plan, which authorizes the Board of Directors to grant stock options to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of the options will not be less than the discounted market price of the Company's shares at the date of grant. The options can be granted for a maximum of 10 years and the vesting of the options will be determined by the Board of Directors.

On April 19, 2022, the Company granted 2,039,000 options exercisable at \$0.08 per share until April 19, 2027.

A summary of the changes in the Company's stock options for the three months ended March 31, 2024 and the years ended December 31, 2023 and 2022 is presented below:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2021	1,010,000	\$ 0.150
Expired during 2022	(1,010,000)	0.150
Granted during 2022	2,039,000	0.080
Outstanding, December 31, 2022 and 2023 and Mar 31, 2024	2,039,000	\$ 0.080

(d) Share purchase warrants

The following share purchase warrants were outstanding as at March 31, 2024 and December 31, 2023:

Share purchase warrants - issued	11,100,000	\$0.10	March 8, 2025*
Finders' warrants - issued	42,000	\$0.10	March 8, 2024
Balance, December 31, 2023	11,142,000	\$0.10	
Finder's warrants - expired	(42,000)	\$0.10	
Balance, March 31, 2024	11,100,000	\$0.10	

* On November 30, 2023, the Company received TSXV approval to extend the expiry date of the 11,100,000 share purchase warrants by one year from March 8, 2024 to March 8, 2025.

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8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has identified its directors and its two senior officers as its key management personnel. Compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties and on terms and conditions similar to non-related parties as follows:

Key management compensation	Three months ended March 31,	
	2024	2023
Directors' fees	\$ -	\$ 13,500
Management fees	25,000	60,000
	\$ 25,000	\$ 73,500

Balances payable to related parties are included in related party payable and accrued liabilities on the statement of financial position. These amounts are non-interest bearing and are due on demand.

Balances payable for:	March 31,	December 31,
	2024	2023
Directors' fees	\$ 7,500	\$ 36,000
Management fees	40,250	317,300
	\$ 47,750	\$ 353,300

9. LOANS PAYABLE

As at March 31, 2024, \$150,000 (December 31, 2023 - \$110,000) is the balance of four loans from an unrelated party. The loans bear interest at 6.0% per annum beginning on the first anniversary, are unsecured and are due between June 30, 2026 and March 11, 2027. The Company may repay the loans in advance without any penalty.

10. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized. As at March 31, 2024, the classification of the financial instruments, as well as their carrying values and fair values, with comparative figures for December 31, 2023, are shown in the table below:

	March 31, 2024		December 31, 2023	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets	\$	\$	\$	\$
Cash	40,530	40,530	34,631	34,631
Short-term investments	42,167	42,167	37,667	37,667
Credit card deposit	17,250	17,250	17,250	17,250
Reclamation deposits	33,620	33,620	33,620	33,620
Financial liabilities				
Accounts payable and accrued liabilities	397,623	397,623	102,176	102,176
Related party payable	47,750	47,750	353,300	353,300
Loans payable	150,000	150,000	110,000	110,000

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Notes to financial statements

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (CONTINUED)

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

- i) Level 1 - Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- ii) Level 2 - Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly, such as quoted prices for similar assets or liabilities in active markets, or indirectly, such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- iii) Level 3 - Applies to assets or liabilities for which there are unobservable market data.

The fair values of the Company's financial instruments measured at March 31, 2024, constitute Level 1 measurements for its cash and short-term investments within the fair value hierarchy.

The Company recognized interest income during the three months ended March 31, 2024 totaling \$nil (three months ended March 31, 2023 - \$423). This is primarily interest income from the Company's short-term investments. The balance represents interest income from all sources.

Credit Risk

Substantially all of the Company's cash is held with major financial institutions in Canada, and management believe the exposure to credit risk with such institutions is not significant. Those financial assets that potentially subject the Company to credit risk are primarily its investment in marketable securities of publicly traded companies. The Company has increased its focus on credit risk given the impact of the current economic climate. The Company considers the risk of material loss to be significantly mitigated due to the financial strength of the major financial institutions where cash and term deposits are held. The Company's maximum exposure to credit risk as at March 31, 2024, is the carrying value of its financial assets.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 11, in normal circumstances. All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of March 31, 2024 and all of the related party payable and accrued liabilities are non-interest bearing and are due on demand.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable markets conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in markets prices, such that changes in market prices results in a proportionate change in the carrying value of the Company's investments.

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For the three months ended March 31, 2024 and 2023

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (CONTINUED)

Commodity price risk

The Company's ability to raise capital to fund exploration or evaluation activities is subject to risk associated with fluctuations in the market prices of gold, copper, zinc, lead, molybdenum and tungsten, and the outlook for these metals. The Company's ability to raise capital is affected by the prices of commodities that the Company is exploring for on its mineral property interests. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for these metals have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

Interest Rate Risk

At March 31, 2024 and December 31, 2023, the Company has no significant exposure to interest rate risk through its financial instruments.

Currency Risk

Fluctuations in United States dollars would not significantly impact the operations and the values of its assets and shareholders' equity at this time. If the Company were to go into production, the Company would be subject to more foreign currency risk from fluctuations in the Canadian dollar relative to the United States dollar, due to metals prices and their denomination in United States dollars.

11. MANAGEMENT OF CAPITAL

The Company considers its capital structure to consist of shareholders' equity. The Company's objective in managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral property interests in British Columbia and to maintain a flexible capital structure which will optimize the costs of capital.

The Company endeavours 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.

At March 31, 2024, the Company had working capital deficiency of \$339,299 (December 31, 2023 - working capital deficiency of \$338,076) and must rely on equity financings, or forms of joint venture or other types of financing to fund operations and to continue exploration and evaluation work and to meet its administrative overhead costs in future years (Note 2(b)). 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 the current difficult conditions. 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 have been no changes in the Company's approach to management of capital during the year.

The Company's investment policy is to invest its cash in highly liquid, short-term interest-bearing investments with maturities allowing the Company to withdraw funds at intervals needed for the expected timing of expenditures in its operations.

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12. SUBSEQUENT EVENTS

- (a) On May 22, 2024, the Company has received final acceptance from the TSX Venture Exchange (“TSXV”) of the previously announced acquisition of all the shares of 1434001 B.C Ltd. (“1434001”), an arm’s length corporation holding a 100% option over the consolidated mineral rights of the Lithium Creek Property (the “Property”) in Nevada, USA (the “Acquisition”) pursuant to a share purchase agreement dated January 8, 2024, as amended on May 13, 2024 (the “SPA”).

Pursuant to the SPA, the Company acquired all of the shares of 1434001 in exchange for a cash payment of USD \$80,000.00 and the issuance of 18,000,000 common shares of Apex (the “Payment Shares”). The Payment Shares will be deposited into a TSXV Tier 2 Value Escrow Agreement and released in accordance with the provisions thereof. Upon completion of issuing all Payment Shares, 1434001 which holds an exclusive option to acquire a 100% interest in the Property (the “Option”) will become a wholly-owned subsidiary of the Company. The terms of the Option provide for 1434001 to acquire 100% of the Property by completing the following:

Date for Completion	Option Payment (USD)	Exploration & Development Expenditures (USD)
Down Payment (non refundable)	\$50,000 (Paid by 1434001)	
1 st Anniversary of Effective Date*	\$100,000	\$300,000
2 nd Anniversary of Effective Date	\$150,000	\$500,000
3 rd Anniversary of Effective Date	\$300,000	\$1,000,000
4 th Anniversary of Effective Date	\$600,000	\$2,000,000
5 th Anniversary of Effective Date	\$1,200,000	\$3,000,000
6 th Anniversary of Effective Date	\$Nil	\$5,000,000
TOTAL	\$2,400,000	\$11,800,000

*The Effective Date of the Option is August 25th, 2023.

Following the exercise of the Option and acquiring 100% of the Property, the vendor of the Property (the “Seller”) will be entitled to the following additional consideration on meeting certain milestones:

- (1) US\$500,000 upon completion of a Preliminary Economic Assessment;
- (2) US\$1,000,000 upon completion of a Pre-Feasibility Study; and
- (3) US\$1,000,000 upon completion of a Feasibility Study

The Property is also subject to a 3.0% Gross Overriding Royalty (the “Royalty”) and one-half (1/2) of the Royalty can be purchased after three years following commencement of commercial production on the Property for US\$5,000,000 payable to the Seller.

- (b) Concurrent with the closing of the Acquisition, the Company has closed the non-brokered private placement through the issuance of 9,000,000 units (the “Units”) for gross proceeds of \$630,000. Each Unit is comprised of one common share of the Company (an “Apex Share”) and one share purchase warrant (a “Warrant”), with each Warrant entitling the holder to purchase an additional Apex Share for a price of \$0.12 and expires on May 22, 2026 (the “Expiry Date”). If at any time prior to the Expiry Date, the Company’s common shares trade at or above a price of \$0.20 per common share on the TSXV for a period of 10 consecutive trading days commencing four months plus one day after the issue date, the Company may, at its option, accelerate the Expiry Date by issuing a press release announcing such acceleration (the “Acceleration Press Release”), and, in such case, the Expiry Date shall be deemed to be the 30th day following the date of issuance of the Acceleration Press Release.