MURCHISON MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Murchison Minerals Ltd.

Opinion

We have audited the consolidated financial statements of Murchison Minerals Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated 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 consolidated 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 consolidated 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and is not generating positive cash flows from operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional 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 consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We obtained 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 consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Jessica DiRito.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 27, 2024

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at December 31,

	2023	2022
ASSETS		
Current Assets		
Cash	$ 1,823,972	$ 1,706,952
Amounts receivable and prepaid expenses (Note 6)	393,495	870,515
Total current assets	2,217,467	2,577,467
Property and equipment (Note 7)	134,545	183,777
Total assets	**$ 2,352,012**	**$ 2,761,244**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 13)	$ 91,939	$ 357,895
Loans payable (Note 15)	10,578	51,578
Flow-through share premium liability (Notes 9 and 14)	82,360	-
Total current liabilities	184,877	409,473
Loans payable (Note 15)	13,356	21,685
Total liabilities	**198,233**	**431,158**
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	43,424,724	41,612,477
Reserves (Notes 10 and 11)	2,188,718	2,411,789
Deficit	(43,459,663)	(41,694,180)
Total shareholders' equity	2,153,779	2,330,086
Total liabilities and shareholders' equity	**$ 2,352,012**	**$ 2,761,244**

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Note 14)

Approved on Behalf of the Board:

"signed"
Jean-Charles Potvin
Director

"signed"
Denis Arsenault
Director

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended December 31,

	2023	2022
EXPENSES		
Exploration expenses (Note 8)	$ 1,495,359	$ 5,662,334
Professional fees	58,952	80,804
Management fees and salaries (Note 13)	456,715	534,201
Office and general	94,451	116,202
Regulatory and transfer agent	50,703	88,487
Investor relations	407,283	464,311
Share-based payments (Notes 11 and 13)	177,366	570,874
Loss before other income and expenses	**2,740,829**	**7,517,213**
Interest income	(47,538)	(62,003)
Other income	(6,750)	(33,000)
Flow-through share premium (Notes 9 and 14)	(97,558)	(1,321,035)
Loss on investment	-	841
Loss for the year	**$ 2,588,983**	**$ 6,102,016**
Loss per share - basic and diluted	**$ 0.01**	**$ 0.03**
Weighted average number of common shares outstanding - basic and diluted	228,279,877	192,181,756

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
For the years ended December 31, 2023 and 2022

		Reserves			
	Share Capital	Equity settled share-based payments reserve	Warrants reserve	Deficit	Total
Balance, December 31, 2021	**$ 35,881,469**	**$ 1,162,025**	**$ 714,327**	**$ (35,976,108)**	**$ 1,781,713**
Net loss for the year	-	-	-	(6,102,016)	(6,102,016)
Issuance of common shares (net of issue costs)	5,400,626	-	-	-	5,400,626
Issuance of stock options / share-based compensation	-	570,874	-	-	570,874
Issuance of warrants	-	-	678,889	-	678,889
Exercise of warrants	330,382	-	(330,382)	-	-
Expiry of warrants	-	-	(383,944)	383,944	-
Balance, December 31, 2022	**$ 41,612,477**	**$ 1,732,899**	**$ 678,890**	**$ (41,694,180)**	**$ 2,330,086**
Balance, December 31, 2022	**$ 41,612,477**	**$ 1,732,899**	**$ 678,890**	**$ (41,694,180)**	**$ 2,330,086**
Loss for the year	-	-	-	(2,588,983)	(2,588,983)
Issuance of common shares (net of issue costs)	1,812,247	-	-	-	1,812,247
Issuance of stock options / share-based compensation	-	177,366	-	-	177,366
Issuance of warrants	-	-	423,063	-	423,063
Expiry of warrants	-	-	(678,890)	678,890	-
Expiry of stock options	-	(144,610)	-	144,610	-
Balance, December 31, 2023	**$ 43,424,724**	**$ 1,765,655**	**$ 423,063**	**$ (43,459,663)**	**$ 2,153,779**

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended December 31

	2023	2022
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Loss for the year	$ (2,588,983)	$ (6,102,016)
Share-based payments	177,366	570,874
Flow-through share premium	(97,558)	(1,321,035)
Loss on investment	-	841
Amortization	49,232	47,470
	(2,459,943)	(6,803,866)
Net change in non-cash working capital items:		
Amounts receivable and prepaid expenses	477,020	(551,119)
Accounts payable and accrued liabilities	(265,956)	146,590
Net cash flows used in operating activities	(2,248,879)	(7,208,395)
INVESTING ACTIVITIES		
Acquisition of property and equipment	-	(70,383)
Proceeds from sale of marketable securities	-	1,743
Net cash flows used in investing activities	-	(68,640)
FINANCING ACTIVITIES		
Issuance of units	2,537,008	5,191,429
Exercise of warrants	-	2,284,026
Units issuance costs	(121,780)	(266,841)
Loan repayments	(49,329)	(16,700)
Net cash flows provided by financing activities	2,365,899	7,191,954
NET CHANGE IN CASH	**117,020**	**(85,081)**
CASH, BEGINNING OF THE YEAR	**1,706,952**	**1,792,033**
CASH, END OF THE YEAR	**$ 1,823,972**	**$ 1,706,952**
SUPPLEMENTAL CASH FLOW INFORMATION		
Finders’ warrants issued	$ 24,573	$ 31,120
Property and equipment purchase financed through loan	-	50,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Murchison Minerals Ltd. (the "Company" or “Murchison”) was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 5063 North Service Road, Suite 100, Burlington, Ontario, Canada, L7L 5H6.

The consolidated financial statements were approved by the Board of Directors on February 27, 2024.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and, environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at December 31, 2023, the Company has a cumulative deficit of $43,459,663 (December 31, 2022 - $41,694,180), continuing losses and is not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue its operations as a going concern.

These consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within these consolidated financial statements:

Company	Registered	Principal activity
Murchison Minerals Ltd.	Ontario, Canada	Parent company
Flemish Gold Corp.	Ontario, Canada	Exploration company

Exploration and evaluation properties

The acquisition costs of exploration and evaluation properties are expensed in the consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

Government grants and assistance

The Company expects to be entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec and to a refundable duties credit for losses, which are estimated and recorded against the exploration and evaluation expenses to which they relate.

Government grants and assistance are transfers of resources to an entity by government in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government assistance is action by government designed to provide an economic benefit that is specific to an entity or range of entities qualifying under certain criteria.

Government grants and assistance are recognized where there is a reasonable assurance that the grants and assistance will be received, and conditions will be complied with. Government grants and assistance are recognized as an offset to the expenses to which they relate.

Property and equipment

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

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred. An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment (Continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	3 years	Straight-line
Computer equipment	5 years	Straight-line
Buildings	20 years	Straight-line

Financial instruments

Financial assets at amortized cost are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured using the effective interest method, less any impairment losses.

A financial asset is classified as fair value through profit and loss ("FVPL") if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVPL if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Realized and unrealized gains and losses are reflected in the consolidated statement of loss. Transaction costs associated with FVPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities at amortized cost are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

The Company recognizes a loss allowance for expected credit losses on financial assets not reported as FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognizes lifetime ECLs for accounts receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes the loss allowance for that financial instrument at an amount equal to 12-month ECLs. However, when there has been a significant increase in credit risk on these other financial instruments since

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

initial recognition, lifetime ECLs are recognized. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There are no financial instruments subsequently recorded at fair value.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to a periodic impairment assessment. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, on hand and short-term money market investments with original maturities of 90 days or less which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and are available on demand by the Company. When cash and cash equivalents include an amount to be incurred in relation to a flow-through commitment, an amount equal to the minimum commitment is kept in a separate bank account. As at December 31, 2023 and 2022, the Company had no cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions as at December 31, 2023 and 2022.

Share-based payment transactions

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. Unexercised expired and modified stock option values are transferred to deficit.

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 comprehensive loss. When the value of goods or 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.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (Continued)

Deferred tax is for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Equity

Share capital, stock options, warrants and broker units are classified as equity. Incremental costs directly attributable to the issuance of shares, warrants and broker units are recognized as a deduction from equity and allocated between share capital and warrants. Expired stock options and warrants are transferred to deficit.

Flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference (“premium”) between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share premium liability which is reversed into the consolidated statement of loss when the eligible expenditures are incurred. The amount recognized as a flow-through share premium liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. The liability is then reduced proportionally as the Company incurs eligible expenditures. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at December 31, 2023 and December 31, 2022 as the disturbance to date is minimal.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, finders' warrants and stock options outstanding that may add to the total number of common shares. Diluted loss per share does not include the effect of stock options, warrants and finders' warrants as they are anti-dilutive. See Notes 10 and 11.

Warrants

Warrants are recognized at fair value on the date of grant and are measured using the Black-Scholes option pricing model. Unexercised expired warrants are transferred to deficit.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the recoverable amount, being the higher of value in use and fair value less costs to sell in the case of non-financial assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Income 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 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.

- Share-based payments and warrants
Management determines costs for share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards and warrants are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting judgments and estimates (continued)

- Tax credit receivable

The Tax credit receivable for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made. or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

- Contingencies

See Note 14.

New and future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. These were applied by the Company as of their effective date. Many are not applicable or do not have a significant impact to the Company and have been excluded.

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. The Company will adopt these pronouncements as of their effective date and is currently assessing the impacts of adoption.

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. The amendments are effective for annual periods beginning on January 1, 2024.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

3. CAPITAL MANAGEMENT

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at December 31, 2023 totalled $2,153,779 (December 31, 2022 - $2,330,086). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2023 and 2022. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the years ended December 31, 2023 and 2022.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had a cash balance of $1,823,972 (December 31, 2022 - $1,706,952) to settle accounts payable, accrued liabilities and loans payable of $115,873 (December 31, 2022 - $431,158). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loans payable as disclosed in Note 15.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

Interest rate risk
The Company has cash balances and no interest-bearing debt other than the loans payable at a fixed interest rate. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal.

(Expressed in Canadian Dollars)

4. FINANCIAL RISK FACTORS (Continued)

Commodity price risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As at December 31, 2023, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience, the Company believes the following movements are "reasonably possible" over a one-year period:

(i) Based on cash balances earning interest at December 31, 2023, a 1% change in interest rates would result in a corresponding interest income change of approximately $18,000 for the one-year period.

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	December 2023	December 2022
Financial assets:		
Amortized cost		
Cash	$ 1,823,972	$ 1,706,952
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 91,939	$ 357,895
Loans payable	23,934	73,263

As of December 31, 2023 and December 31, 2022, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	December 31, 2023	December 31, 2022
Sales tax receivable	$ 87,250	$ 558,810
Tax credits receivable	188,118	260,242
Prepaid expenses and other receivables	118,127	51,463
	$ 393,495	$ 870,515

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

	Computer equipment		Buildings		Exploration equipment		Total
Cost							
Balance, December 31, 2021	-	**$**	48,866	$	107,173	$	156,039
Additions	6,602		50,000		63,781		120,383
Balance, December 31, 2022	6,602	$	98,866	$	170,954	$	276,422
Balance, December 31, 2023	**6,602**	**$**	**98,866**	**$**	**170,954**	**$**	**276,422**
Amortization							
Balance, December 31, 2021	-	**$**	(4,591)	$	(40,584)	$	(45,175)
Additions	(1,210)		(3,065)		(43,195)		(47,470)
Balance, December 31, 2022	**(1,210)**	**$**	**(7,656)**	**$**	**(83,779)**	**$**	**(92,645)**
Additions	(1,320)		(4,940)		(42,972)		(49,232)
Balance, December 31, 2023	**(2,530)**	**$**	**(12,596)**	**$**	**(126,751)**	**$**	**(141,877)**
Net book value, December 31, 2022	5,392	$	91,210	$	87,175	$	183,777
Net book value, December 31, 2023	**4,072**	**$**	**86,270**	**$**	**44,203**	**$**	**134,545**

Exploration equipment with a net book value of $5,781 as at December 31, 2023 (December 2022 - $19,657) is used as security for the loans payable described in Note 15.

8. EXPLORATION AND EVALUATION PROPERTIES

<u>Brabant Lake Property – Saskatchewan</u>
As at December 31, 2023 and 2022, the Company holds a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

<u>HPM Property - Quebec</u>
As at December 31, 2023 and 2022, the Company holds a 100% interest in certain claims forming the HPM property in Quebec.

<u>Barraute-Landrienne Property - Quebec</u>
On April 28, 2021, the Company entered into an agreement with Gestion Aline Leclerc Inc. ("GAL") granting Murchison an option to earn 100% in 75 mineral claims, by making payments totaling $500,000 and property expenditures of $1.0 million over a 6-year period. The first payment of $20,000 was due and paid on April 28, 2022. GAL would retain a royalty of 1% of net smelter returns (NSR) on future production. The 1% NSR could be acquired anytime by the Company for $1.0 million. On February 3, 2023, the Company terminated the GAL agreement.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION PROPERTIES (Continued)

The following table sets out the exploration expenses for the years ended December 31, 2023 and 2022:

HPM		**2023**		**2022**
Drilling	$	129,153	$	3,046,072
Geology and prospecting		445,645		1,407,200
Geophysics		313,490		1,032,296
Metallurgy		-		4,937
Acquisition and staking		73,606		16,232
General administrative and permitting		120,578		101,852
Amortization		29,096		18,466
Tax credits receivable		(108,957)		(267,873)
Total HPM	**$**	**1,002,611**	**$**	**5,359,182**

Brabant Lake		**2023**		**2022**
Amortization	$	18,816	$	27,794
Drilling		-		60,870
General administrative		4,000		3,500
Geology		270,080		112,546
Geophysics		170,686		107,979
Government assistance – Drilling incentive		-		(50,000)
Acquisition and staking		8,242		7,150
Total Brabant Lake	**$**	**471,824**	**$**	**269,839**

Barraute-Landrienne		**2023**		**2022**
Geology	$	3,737	$	3,510
Geophysics		-		8,728
Option payment		-		20,000
Acquisition and staking		18,387		1,075
Tax credits receivable		(1,200)		-
Total Barraute-Landrienne	**$**	**20,924**	**$**	**33,313**
Total Exploration Expenses	**$**	**1,495,359**	**$**	**5,662,334**

Government Assistance and Tax Credits

The Company is entitled to a credit on duties refundable for losses under the Quebec Mining Duties Act. This credit on duties refundable for losses on mineral exploration expenses incurred in the Province of Quebec at the rate of 8% has been applied against the costs incurred. These amounts have been recorded as a reduction of the HPM exploration expenditures.

Also, the Company is entitled to the refundable tax credit for resources for mineral companies on qualified expenditures incurred in the Province of Quebec. The refundable tax credit for resources may reach 35% or 38.75% of qualified expenditures incurred. This tax credit has been applied against the costs incurred. These amounts have also been recorded as a reduction of the HPM exploration expenditures. The Company has recorded $110,157 in expected tax credits against exploration activity for the year ended December 31, 2023 (December 31, 2022 - $267,873). As at December 31, 2023, the Company is carrying a tax credit receivable balance of $188,118 (December 31, 2022 - $260,242). During the year ended December 31, 2023, the Company received $182,282 in tax credits applied against the receivable (December 31, 2022 - $nil).

The Saskatchewan Targeted Mineral Exploration Incentive ("TMEI") supports the diversification of Saskatchewan's mineral sector by encouraging exploration for base metals, precious metals, and diamonds as well as other components such as airborne geophysical data and complementary ground-based geoscience investigations.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION PROPERTIES (Continued)

The TMEI provides up to $150,000 financial assistance in the form of a grant to eligible exploration companies that undertake exploration drilling for base metals, precious metals, or diamonds. For the year ended December 31, 2023, the Company received $nil (2022 - $50,000) under the TMEI assistance program.

9. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number		Amount
Balance - December 31, 2021	**153,609,785**	**$**	**35,881,469**
Exercise of warrants-net of issue costs (i)	17,682,550		2,465,961
Private placement (ii)	46,919,622		5,353,589
Issue costs – private placement (ii)	-		(249,753)
Flow-Through Premium (ii)	-		(1,129,139)
Warrants issued (i)(ii)	-		(709,650)
Balance – December 31, 2022	**218,211,957**	**$**	**41,612,477**

	Number		Amount
Balance - December 31, 2022	**218,211,957**	**$**	**41,612,477**
Private placement (iii) (iv)	42,561,065		2,537,008
Issue costs – private placement (iii)(iv)	-		(121,780)
Flow-Through Premium (iii)(iv)	-		(179,918)
Warrants issued (iii)(iv)	-		(423,063)
Balance – December 31, 2023	**260,773,022**	**$**	**43,424,724**

(i) Between January 10 and February 10, 2022, 7,025,000 warrants exercisable at $0.12 and expiring on January 23 and February 13, 2022 were exercised for gross proceeds of $843,000.

Between March 23 and April 15, 2022, following the implementation of a warrant exercise incentive program, 10,657,550 warrants at a price of $0.12 were exercised for gross proceeds of $1,278,906. As part of the incentive program, the Company issued 5,328,775 incentive warrants exercisable at $0.18 until April 15, 2023.

The fair value of the incentive warrants was estimated at $85,260 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 82%, risk-free interest rate of 2.27%, expected life of 1 year and share price of $0.10 and reflected as a cost of issue.

(ii) On June 30, 2022, the Company completed a non-brokered private placement and issued 10,166,666 units at a price of $0.09 per unit, 20,195,002 Quebec flow-through units at a price of $0.105 and 16,557,954 charity flow-through units at a price of $0.14 for aggregate gross proceeds of $5,353,589. An amount of $1,129,139 was allocated to flow-through share premium.

9. SHARE CAPITAL (Continued)

Each unit, Quebec flow-through unit and charity flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.18 for a period of 18 months expiring December 30, 2023. In the event that, the 20-day volume weighted average price of the common shares on the TSX Venture Exchange is greater than $0.225 ($0.24 for the unit), the Company may give notice to the holders of the warrants that the expiry time of the warrants has been accelerated and the warrants will expire on the 30th business day following the date of such notice to subscribe for and purchase the number common shares of the Company set forth above on the basis of one common share at a price of $0.18 for each warrant exercised.

The fair value of the warrants was estimated at $593,270 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 115%, risk-free interest rate of 3.10%, expected life of 1.5 year and share price of $0.08. Issue costs of $30,760 were allocated to the warrants.

Finder's fees totaling $149,150 were paid under the private placement and 1,230,471 finders' warrants valued at $31,120 with the same terms as described above. Two directors of the Company acquired 7,944,444 units and 142,857 flow-through units respectively for aggregate gross proceeds of $730,000.

(iii) On July 26, 2023, the Company completed a non-brokered private placement and issued 9,000,000 units at a price of $0.06 per unit, 11,500,715 Quebec flow-through units at a price of $0.07 and 2,383,850 national flow-through units at a price of $0.065 for aggregate gross proceeds of $1,500,000. A director of the Company acquired 7,000,000 units for gross proceeds of $420,000. An amount of $126,280 was allocated to flow-through share premium.

Each unit, Quebec flow-through unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.10 for a period of 24 months expiring July 26, 2025.

The fair value of the warrants was estimated at $236,690 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 108%, risk-free interest rate of 4.65%, expected life of 2.0 years and share price of $0.05. Issue costs of $12,160 were allocated to the warrants.

Finder's fees totaling $57,005 were paid under the private placement and 636,994 finders' warrants valued at $13,173 with the same terms as described above were issued.

(iv) On December 28, 2023, the Company completed a non-brokered private placement and issued 9,040,000 units at a price of $0.05 per unit and 10,636,500 national flow-through units at a price of $0.055 for aggregate gross proceeds of $1,037,008. A director of the Company acquired 8,500,000 units for gross proceeds of $425,000. An amount of $53,638 was allocated to flow-through share premium.

Each unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.08 for a period of 24 months expiring December 28, 2025.

The fair value of the warrants was estimated at $185,770 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 117%, risk-free interest rate of 3.92%, expected life of 2.0 years and share price of $0.04. Issue costs of $9,660 were allocated to the warrants.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

Finder's fees totaling $41,250 were paid under the private placement and 518,190 finders' warrants valued at $11,400 were issued. Each whole warrant is exercisable to acquire one additional common share at a price of $0.055 for a period of 24 months expiring December 28, 2025. Issue costs of $2,150 were allocated to the finders' warrants.

10. WARRANTS AND FINDERS' WARRANTS

The following summarizes the warrants and finders' warrants activity for the years ended December 31, 2023 and 2022:

	Number of Warrants	Grant Date Fair Value	Weighted Average Exercise Price
Balance - December 31, 2021	**38,307,385**	**$ 714,327**	**$ 0.12**
Exercised	(17,682,550)	(330,382)	0.12
Expired	(20,624,835)	(383,944)	0.12
Issued	30,019,054	678,890	0.18
Balance – December 31, 2022	**30,019,054**	**$ 678,890**	**0.18**
Balance - December 31, 2022	**30,019,054**	**$ 678,890**	**$ 0.18**
Issued	22,435,717	423,063	0.09
Expired	(30,019,054)	(678,890)	0.18
Balance – December 31, 2023	**22,435,717**	**$ 423,063**	**$ 0.09**

As at December 31, 2023, the Company had warrants and finders' warrants outstanding as follows:

Date of Issue	Number of Warrants	Exercise Price ($)	Fair Value ($)	Expiry Date	Remaining Contractual Life (years)
July 26, 2023	12,079,277	0.10	237,703	July 26, 2025	1.57
December 28, 2023	518,190	0.055	9,250	December 28, 2025	2.00
December 28, 2023	9,838,250	0.08	176,110	December 28, 2025	2.00
	22,435,717		**423,063**		**1.77**

11. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

(Expressed in Canadian Dollars)

11. STOCK OPTIONS (Continued)

The following summarizes the stock option activity for the years ended December 31, 2023 and 2022:

	Number of Stock Options	Weighted Average Exercise Price	
Balance - December 31, 2021	**14,280,000**	**$**	**0.11**
Granted [(i)(ii)(iii)]	7,215,000		0.10
Balance – December 31, 2022	**21,495,000**	**$**	**0.10**
Balance - December 31, 2022	**21,495,000**	**$**	**0.10**
Expired	(1,110,000)		0.16
Granted [(iv)]	4,725,000		0.05
Balance – December 31, 2023	**25,110,000**	**$**	**0.09**

[(i)] On January 24, 2022, the Company granted 200,000 stock options exercisable at $0.135 for 5 years to a consultant of the Company. The grant date fair value of these options of $19,600 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.135, risk free interest rate – 1.63%, expected volatility – 96%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vesting provisions were 1/3 immediately, 1/3 in 9 months and 1/3 in 18 months and $17,059 fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2022 and the balance of $2,541 for the year ended December 31, 2023.

[(ii)] On July 29, 2022, the Company granted 4,700,000 stock options exercisable at $0.09 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of $314,900 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.09, risk free interest rate – 2.66%, expected volatility – 99%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2022.

[(iii)] On December 15, 2022, the Company granted 2,315,000 stock options exercisable at $0.12 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of $210,665 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.12, risk free interest rate – 2.90%, expected volatility – 101%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2022.

[(iv)] On December 29, 2023, the Company granted 4,725,000 stock options exercisable at $0.05 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of $174,825 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.05, risk free interest rate – 3.17%, expected volatility – 120%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2023.

(Expressed in Canadian Dollars)

11. STOCK OPTIONS (Continued)

As at December 31, 2023, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Outstanding[1]	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date	Weighted Average Remaining Contractual Life (years)
March 6, 2019	645,000	0.095	59,340	March 6, 2024	0.18
December 23, 2019	3,300,000	0.085	244,200	December 23, 2024	0.98
December 31, 2020	3,700,000	0.095	284,900	December 31, 2025	2.00
April 14, 2021	200,000	0.095	9,800	April 14, 2026	2.29
May 25, 2021	500,000	0.095	26,000	May 25, 2026	2.40
July 2, 2021	200,000	0.095	10,800	July 2, 2026	2.50
October 11, 2021	1,000,000	0.08	59,000	October 11, 2026	2.78
December 20, 2021	3,625,000	0.13	351,625	December 20, 2026	2.97
January 24, 2022[1]	200,000	0.135	19,600	January 24, 2027	3.07
July 29, 2022	4,700,000	0.09	314,900	July 29, 2027	3.58
December 15, 2022	2,315,000	0.12	210,665	December 15, 2027	3.96
December 29, 2023	4,725,000	0.05	175,825	December 29, 2028	5.00
	25,110,000	**0.09**	**1,765,655**		**3.05**

[1] *All options are exercisable.*

12. INCOME TAXES

(a) Provision for income taxes

Major items causing the Company’s income tax to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2020 – 26.5%) were as follows:

	2023 $	2022 $
Combined Canadian statutory income tax rate	26.5%	26.5%
Loss before income taxes	(2,588,984)	(6,102,016)
Expected income tax recovery based on the statutory rate	(686,000)	(1,617,000)
Adjustment to expected income tax benefit:		
Permanent differences and other	15,000	151,000
Deferred tax assets not recognized	671,000	1,466,000
Deferred income tax provision (recovery)	-	-

(Expressed in Canadian Dollars)

12. INCOME TAXES (Continued)

(b) Deferred income tax

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

	2023 $	2022 $
Capital losses	20,209,000	20,209,000
Non-capital losses	21,302,000	19,917,000
Resource properties	6,488,000	5,575,000
Share issue costs	440,000	513,000
Other	160,000	110,000
Total	48,599,000	46,324,000

(c) As at December 31, 2023, the Company had approximately $6,488,000 (2022 - $5,575,000) of Canadian development and exploration expenses and foreign exploration and development expenses, which, under certain circumstances, may be utilized to reduce taxable income of future years.

(d) Tax loss carry-forwards
As at December 31, 2023, the Company had approximately $21,302,000 of non-capital losses in Canada, which may be used to reduce taxable income in future years. These losses expire from 2025 to 2043.

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.

13. RELATED PARTY TRANSACTIONS

a) Remuneration of directors and officers was as follows:

	2023	2022
Salaries and benefits	$ 575,000	$ 544,723
Share-based payments	137,825	355,305
	$ 712,825	**$ 900,028**

For the year ended December 31, 2023, the salaries and benefits above include $187,500 (2022 - $275,000) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO and also include $140,600 (2022 - $183,323) for fees invoiced by a corporation controlled by the CFO of the Company for his services as CFO. Included in accounts payable and accrued liabilities at December 31, 2023 is $10,500 (2022 - $nil) owed to the CFO and $nil (2022 - $13,325) owed to the CEO. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

13. RELATED PARTY TRANSACTIONS (Continued)

b) Private Placements
As part of the private placement completed on December 28, 2023, a director of the Company acquired 8,500,000 common share units for gross proceeds of $425,000.

As part of the private placement completed on July 26, 2023, a director of the Company acquired 7,000,000 common share units for gross proceeds of $420,000.

As part of the private placement completed on June 30, 2022, a director of the Company acquired 7,944,444 common share units for gross proceeds of $715,000 and another director acquired 142,857 flow-through units for gross proceeds of $15,000.

c*) Warrant Incentive Program*
In January 2022, two directors exercised 4,187,500 warrants at a price of $0.12 for aggregate gross proceeds of $502,500. Also, as part of the warrant exercise incentive program implemented on March 17, 2022, officers and directors of the Company exercised 9,436,550 warrants at a price of $0.12 for gross proceeds of $1,132,386. As part of this incentive program, the Company issued 4,718,275 warrants to the officers and directors exercisable at $0.18 until April 15, 2023. The fair value of these incentive warrants was $75,492.

14. COMMITMENTS AND CONTINGENCIES

Management Contracts
The Company entered into consulting and employment agreements for the services of its key executives. Under the agreements, additional payments totalling $1,381,300 are be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is $380,650, in aggregate. The minimum commitment due within one year under the terms of the agreements is $690,600, in aggregate.

Flow-Through Indemnification
As at December 31, 2023, the Company has to incur $776,069 in qualifying exploration expenditures by December 31, 2024 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

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.

(Expressed in Canadian Dollars)

14. COMMITMENTS AND CONTINGENCIES

Flow-Through Indemnification (Continued)

	Flow-through funding and expenditure requirements $	Flow-through share premium liability $
Balance, December 31, 2021	1,215,325	191,896
Flow-through funds raised and premium recorded as a liability	4,438,589	1,129,139
Flow-through expenditures incurred and reduction of liability	(5,653,914)	(1,321,035)
Balance, December 31, 2022	-	-
Flow-through funds raised and premium recorded as a liability	1,545,008	179,918
Flow-through expenditures incurred and reduction of liability	(768,939)	(97,558)
Balance, December 31, 2023	**776,069**	**82,360**

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

15. LOANS PAYABLE

In June 2021, the Company financed the purchase of an exploration vehicle in the amount of $43,586. The loan bears an interest rate of 7.89% and is repayable over 60 monthly payments of $881 and is secured by the vehicle. The balance payable at December 31, 2023 was $23,934 of which $10,578 is due within the next 12 months.

On October 1, 2022, the Company entered into an agreement to purchase an accommodation building in Saskatchewan for $50,000. Under the agreement, the Company paid $3,000 per month from October 2022 to September 2023 and a lump sum of $14,000 was due on October 1, 2023. The final lump sum payment was paid on November 2, 2023 upon title transfer of the building.

Undiscounted payments over successive years are as follows:

		Vehicle
2024	$	10,578
2025-2026		15,867
Total contractual cash flows	$	26,445
Less: interest		(2,511)
Obligation at December 31, 2023	**$**	**23,934**

16. RECLASSIFICATION OF THE PRIOR YEAR'S DATA FOR PRESENTATION

Certain of the 2022 comparative amounts have been reclassified to conform to the 2023 form of presentation. The change in presentation was made to provide more relevant information to the users of the financial statements and better conform to the IAS 1 presenting expenses based on their function. Some of the prior year expenses have been reclassified to adopt to the current year presentation.

End of Notes to Financial Statements

MURCHISON MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

This Management's Discussion and Analysis ("MD&A") is intended to supplement the consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the year ended December 31, 2023 with comparatives for the same period a year earlier. The consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of financial statements. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2023, which are available on the Company's website (www.murchisonminerals.com). This MD&A covers the most recently completed financial year end and the subsequent period up to February 27, 2024. The information is presented in Canadian dollars unless stated otherwise.

OVERALL PERFORMANCE

Description of Business

Murchison is a Canadian-based exploration company focused on nickel-copper-cobalt exploration at the 100%-owned Haut-Plateau Manicouagan ("HPM") project in Quebec and the exploration and development of the 100%-owned Brabant-McKenzie VMS copper-zinc-silver-lead-gold deposit (the "Deposit") located on the Brabant McKenzie project ("BMK") in north-central Saskatchewan. The Company expects to acquire additional properties as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan in the future rests entirely on its ability to secure equity and other financings or realize cash from the sale of assets.

Trends

The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the commodity prices for minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. Apart from these, the risk factors noted under the heading "Uncertainties and Risk Factors" and "Forward Looking Statement" included in this MD&A, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

OUTLOOK

Murchison considers both the HPM and BMK projects to be top tier under valued exploration projects both with significant scale to host numerous deposits in areas that remain considerably underexplored. Murchison is the dominant land holder for both projects with both already containing significant sulphide mineralization and numerous showings located through the properties.

The HPM project's entire 951 km^2 land package is highly prospective to host nickel-copper-cobalt mineralization, particularly at Barre de Fer ("BDF") and Syrah where significant mineralization has already been encountered. The HPM project continues to show tremendous promise with its numerous gossanous nickel-copper-cobalt-bearing outcrops spatially linked to airborne electro-magnetic (EM) anomalies.

Innu Takuaikan Uashat mak Mani-utenam (ITUM) - the Innu Government of the Innu First Nation of Uashat mak Mani-utenam, located near Sept-Îles has communicated its opposition to any natural resource or development projects proceeding in its traditional territory without its prior consent. Murchison has met with representatives of the ITUM to establish a framework which is mutually beneficial to all parties. The Government of Quebec has confirmed Murchison has the legal right to explore the mineral claims comprising the HPM Project. The recent opposition from the ITUM is based on social acceptability, and an ITUM claim over sovereignty of the mineral rights within their traditional territory. Murchison will continue to engage with First Nations and abide by all laws and regulations governing exploration in the province of Quebec.

The BMK project which hosts the Brabant-McKenzie VMS Deposit is considered by the Company to be an emerging VMS district. The Deposit remains open along strike and at depth – expansion of the current resource at the BMK Deposit is a primary objective for the 2024 winter exploration program. The exploration programs from 2020 and 2021 successfully discovered VMS mineralization at the Betty and Main Lake targets which confirms the viability that project hosts multiple VMS mineralized systems. The Company is excited to continue exploring these prospects as well as other targets such as T2T and Tom2.

The polymetallic BMK Deposit is considered a high-grade VMS deposit with high zinc and silver grades. The Deposit is ideally located only 2 km away from a highway and grid power. The Deposit comes to surface, with a current strike length of 1.1 km and has been tested down to approximately 700 metres depth. Preliminary metallurgical work completed in 2021 delivered exceptional results. As noted by recent work completed by subject matter expert, Dr. Stephen Piercy, Professor at Memorial University, NFLD, the BMK Deposit has high zinc grades typical of a zone refined VMS deposit and zone refined deposits are closely associated with a copper stockwork zone. Drilling to date at the BMK Deposit has yet to discover the copper rich stockwork zone, however, recent geophysical surveys completed at BMK have identified an area of interest 400 m to the southwest of the main zone of mineralization. Discovery of the copper stockwork zone is a high priority for the 2024 winter exploration program. The Company continues to expand its investor relations activities with the objective of getting wider recognition of the Company's exploration activities to current and potential investors. This is also achieved by Murchison attending several resource specific conferences and using social media.

Advancing exploration at the mineral properties will require substantially more financial resources. The Company raised approximately $2.5 million in 2023 via two private placements. The Company will need to raise additional funds in 2024 for additional exploration and beyond.

Management's main objective is to advance its current projects and maximize their potential via the use of different exploration techniques available. The long-term goal remains to develop the Company's properties and achieve commercial production. The Company may enter into partnerships in order to fully exploit the production potential of its exploration assets.

A drill program has been initiated in January 2024 with the purpose of testing areas proximal to the currently defined BMK Deposit for the potential copper stockwork zone. Three areas of interest will be test: 1) CST target, a geophysical anomaly lying 400 m along strike to the south of the BMK Deposit. The anomaly shares a similar geophysical signature to the BMK Deposit, in terms of size and conductance. 2) BMK South: an area just to the south of the BMK Deposit which represents possible expansion on the current dimensions. 3) BMK North: an area to the north of the current BMK Deposit where previous drilling has intersected some of the best copper grades on the project.

MINERAL PROPERTIES – EXPLORATION ACTIVITIES
HPM PROPERTY – QUEBEC

The 2022 drill campaign was a major success with significant mineralization intersected in multiple holes at BDF extending the mineralization along strike and at depth. During the program, drilling encountered the most significant intercept to date with BDF22-002 intersecting 121.2 m interval at 1.36% NiEq (or 4.07% CuEq) – including 21.0 m at 3.21% NiEq (or 9.59% CuEq) (see November 29, 2022 press release). Mineralization has now been intersected at BDF down to 475 m, over a strike length of 370 m and over a width of 200 m in multiple lens up individually up to 48 m thick (see January 17, 2023 press release). The zone of mineralization remains open in all directions and the Company is eager to continue to expand mineralization through subsequent drill programs. Below table highlights the results from the first 2 drill holes at the BDF target.

2022 Drill Campaign Assay Results for BDF22-001 &002

Hole		From (m)	To (m)	Length* (m)	Ni %	Cu %	Co %	NiEq. %**	CuEq. %**
BDF22-001		89.95	108	18.05	1.44	0.44	0.10	1.86	5.00
	Includes	96.5	108	11.5	1.98	0.56	0.13	2.53	6.80
	Includes	97.8	105.9	8.1	2.69	0.69	0.18	3.41	9.16
		122	132.85	10.85	0.29	0.24	0.03	0.44	1.18
		180.5	189	8.5	0.62	0.37	0.05	0.88	2.36
		196.5	219.2	22.7	0.23	0.11	0.02	0.32	0.85
		267	336.9	69.9	0.50	0.23	0.04	0.68	1.83
	Includes	283.4	299.5	16.1	0.92	0.43	0.07	1.26	3.38
BDF22-002		123.8	245	121.2	1.02	0.56	0.07	1.36	4.07
	Includes	134.1	144.2	10.1	2.08	1.17	0.14	2.78	8.31
	Includes	152	196	44	1.58	0.71	0.11	2.05	6.14
	Including	152	180.8	28.8	2.21	0.99	0.15	2.86	8.55
	Including	152.5	173.5	21	2.45	1.22	0.16	3.21	9.59
	Including	177.05	180.8	3.75	2.85	0.57	0.19	3.45	10.30
	Includes	207.5	218	10.5	1.30	0.80	0.09	1.76	5.26
		303.55	357.50	53.95	0.22	0.10	0.02	0.30	0.88

Reported as core length, true thickness is not known. **Nickel Equivalent (NiEq) &Copper Equivalent (CuEq) values were calculated using the following USD metal prices from Sept 12, 2022: $10.84/lb Nickel, $3.63/lb Copper, and $23.56/lb Cobalt. NiEq.% was calculated using Ni%+((Cu Price/Ni Price)*Cu%)+((Co Price/Ni Price)*Co%). CuEq.% was calculated using Cu%+((Ni Price/Cu Price)*Ni%)+((Co Price/Cu Price)*Co%). 100% percent recovery is assumed for equivalent calculations however it should be noted that 100%recovery is not to be expected for final recovery and true recovery may differ significantly from element to element. Please note that copper equivalent is in substitution for nickel equivalent and not in addition to.

The drilling at Syrah target which lies approximately 300 m to the northwest of the BDF Zone successfully intersected significant disseminated sulphide mineralization. The best intercept in hole SYR22-001 intersected 277.3 m grading 0.22% NiEq or 0.70% CuEq (see February 7, 2023 press release). Mineralization intersected at Syrah confirms the presence of a large magmatic sulphide system but does not explain the conductive geophysical anomaly. The Company is confident the disseminated mineralization intersected is a key vectoring tool towards discovery of more massive to semi-massive mineralization within the target area.

Following up on the success of the 2022 exploration drill campaign (highlights of the 2022 work are below) where the Company intersected significant mineralization in multiple holes, the Company launched a detailed review of all exploration data completed to date over the winter of 2023. The detailed review was made with assistance from technical advisor Dr. Peter Lightfoot included assessing all the drill results to date, data from the large scale 2022 airborne electromagnetic survey (VTEM) and all other historical data to identify areas for additional drill testing and prospecting follow-up. Reviewing the data culminated in identifying a 5 km prospective trend named the "BDF Trend" where notable surface nickel mineralization corresponding with geophysical anomalies have already been discovered (see May 24, 2023 press release). The BDF Trend was identified as a high-priority target for additional geophysical surveying prior to additional diamond drilling to assist in refined drill targeting. Additionally, 34 high priority targets for immediate prospecting follow-up were also identified using an unbiased statistical approach (see August 16, 2023 press release).

On August 16, 2023, the Company commenced a combined prospecting and ground geophysical survey at the HPM project (see August 16, 2023 press release). The ground geophysical survey is focused on the BDF zone as well as the Syrah target in relation to identifying additional drill targets within the BDF Trend. The geophysical survey is a specialized electromagnetic survey utilizing helium-cooled super conductive technology (SQUID) which is capable of imaging highly conductive bodies such as magmatic nickel sulphide deposits at depth. Prospecting utilizing two teams of two was completed alongside the geophysical survey and was targeting the majority of the identified 34 targets.

The Company also completed backpack drilling on the 100% owned Lac Paradis prospect. Lac Paradis prospect is located approximately 120 km southwest of the HPM project area where claims were acquired by the Company in January of 2022. The backpack drill results confirmed nickel mineralization discovered on surface in 2003 and the area remains highly unexplored. The best result of the backpack drill core sampling was 1.55 m grading 1.43% NiEq or 4.65% CuEq including 0.37m grading 5.01% NiEq or 16.25% CuEq (see February 7, 2023 press release). The Company considers the Lac Paradis prospect results encouraging and is planning additional prospecting work on the property.

The 2023 prospecting and geophysical campaign was temporarily paused to facilitate negotiations with the ITUM (see August 31, 2023 press release) and is anticipated to be completed in 2024.

BRABANT LAKE PROPERTY – SASKATCHEWAN

The Brabant Lake property is 100% owned by Murchison is strategically located along Highway 102 approximately 175 km northeast of the town of La Ronge and near major infrastructure, including grid power. The Brabant Lake property consists of the BMK VMS Deposit and multiple known mineralized showings and identified geophysical conductors over approximately 37 km strike length of favourable geological trend, all of which remain under-explored and mostly untested. The 664 km^2 property shares geological characteristics, including similar age, with the Flin Flon and Lynn Lake volcanogenic massive sulphide (VMS) mining camps in Manitoba.

The BMK Deposit currently hosts an NI 43-101 compliant resource estimate (September 4, 2018) with 2.1 Mt indicated resources at 7.08% Zn, 0.69% Cu, 0.49% Pb, 0.23 g/t Au, 39.6 g/t Ag and 7.6 Mt additional inferred resources at 4.46% Zn, 0.57% Cu, 0.19% Pb, 0.1 g/t Au, 18.42 g/t Ag. The resource utilized a 3.5% ZnEq cut off based on metal prices of US$1.20/lb zinc, $2.50/lb copper, $1.00/lb lead, $16.00/oz silver and $1200/oz/gold, and a US$ exchange rate of $1.25. The Deposit remains open in multiple directions.

Murchison has recompiled all the historic data from the project and has begun remodeling the Deposit. The modelling has been focused on defining locations to expand the Deposit particularly at depth and along strike. The modelling work is also focused on locations to upgrade the Deposit through expansion of high-grade zones. The most recent drill program conducted at the Deposit in March 2021 intersected significant mineralization in hole BM21-004 which assayed 9.07% zinc, 0.81% copper, 0.26% lead, 0.11 g/t gold and 35.11 g/t silver over 15.35 m (80 to 95% true thickness) with the intercept approximately 50 m outside of the indicated resources and indicates significant opportunity to define additional high-grade mineralization within the core of the Deposit.

In May 2022, Murchison appointed Dr. Steven Piercey a renowned global VMS geologist as a technical advisor. Murchison geologists accompanied by Dr. Piercey then completed a relogging and resampling campaign on historic BMK core (see June 7, 2023 press release). This relogging work identified the host stratigraphy at BMK to be mixed mafic and felsic volcanoclastic hosted within a back-arc basin. These environments are similar to other jurisdictions such as the Bathurst mining camp and are known to contain some of the largest VMS deposits. This reinterpretation provides additional justification for the presence of additional VMS mineralization within the BMK project area. Murchison then staked an additional 75 km^2 of mineral claims to encompass the entire identified prospective trend.

It was also identified that the BMK Deposit currently lacks a copper rich feeder zone which is typical of VMS deposits which have similar zinc grades. Typical felsic volcanoclastic VMS deposits with very high zinc grades are often formed through "zone refinement" which indicates that the Deposit should contain a considerable copper rich zone. This copper rich zone has yet to be found and is a high priority exploration target for Murchison.

The Company has commenced a reinterpretation of all historical geophysical data collected to date. This geophysical data reinterpretation led to the identification of the high priority CST target (see June 27, 2023 press release). The CST target consists of large electromagnetic conductive geophysical anomaly located from a reinterpretation of 2017 HeliSAM data and lies only 400 metres south of the Deposit at a depth of 600 metres. Murchison commenced a ground electromagnetic as well as borehole electromagnetic geophysical survey in November 2023 to provide increased resolution of the CST target in anticipation of drilling testing in the winter of 2024 (see November 8, 2023 press release). This target is highly prospective to host the copper stockwork zone due to close proximity to the BMK Deposit and is top priority drill target for Murchison. Murchison received the results of the geophysical survey in January 2024 (see Jan 22nd, 2023 press release) which has confirmed the CST target as a high priority drill target.

The reinterpretation will also focused on defining additional drill targets at the Main Lake and Betty Zone areas where VMS alteration and mineralization was intersected in 2020 and 2021 respectively. The most recent drilling at Main Lake intersected encouraging sulphide mineralization in hole ML21-002 intersecting two lens of sulphide mineralization. The first interval assayed 0.84% zinc, 0.36% copper and 8.5 g/t silver over 3.59 m (149.5 to 153.15m) and includes 0.47 m of 3.6% zinc, 0.2% copper and 6.6 g/t silver. The second interval assayed 1.27% zinc, 0.03% copper, and 14.75 g/t silver over 4.08 m (176.5 to 180.59m) and includes 1.01 m of 4.71% zinc, 0.04% copper and 21.2 g/t silver. At the Betty Zone, 4 holes were completed in 2021 with the best intercept to date in hole BZ21-002 which assayed 4.40% zinc, 1.33% copper, 12.95 g/t silver from 280.73 to 281.65 m (0.92 m) including 0.42 m at 3.76% zinc, 2.40% copper, 21.70 g/t silver and 0.12 g/t gold.

In January of 2024 the Company commenced a Winter Exploration Program at the BMK Project (See January 22nd News Release). The Program is comprised of diamond drilling totaling approximately 3,500 m and is expected to be completed by mid-March. Cyr Drilling of Sunnyside, Manitoba was selected as the drill contractor. The objective of the Program is the discovery of the copper-rich stockwork zone predicted – due to the high-grade nature – to be associated with the formation of the of the BMK VMS Deposit. The Program will focus on testing three target areas: CST, BMK North and BMK South Extensions.

Qualified Persons

The scientific and technical disclosures included in this MD&A have been reviewed by John Shmyr, P.Geo., VP Exploration, a registered member of the Professional Engineers and Geoscientists of Saskatchewan and current holder of a special authorization with the Ordre des Géologues du Québec. Mr. Shmyr is a Qualified Person as defined by National Instrument 43-101.

Access to Properties

The Company's access to its properties is dependent on climate and weather conditions. The Brabant Lake property in Saskatchewan is accessible all year round. All projects in Québec can be accessed from January to September as weather limits the activities during other times of the year.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The following table sets out the exploration expenses for the years ended December:

	2023	2022
HPM, Quebec		
Drilling	$ 129,153	$ 3,046,072
Geology and prospecting	445,645	1,407,200
Geophysics	313,490	1,032,296
Metallurgy	-	4,937
Acquisition and staking	73,606	16,232
General Administrative and permitting	120,578	101,852
Amortization	29,096	18,466
Tax credits receivable	(108,957)	(267,873)
Total HPM	**$ 1,002,611**	**$ 5,359,182**
Brabant Lake, Saskatchewan		
Amortization	$ 18,816	$ 27,794
Drilling	-	60,870
General Administrative	4,000	3,500
Geology	270,080	112,546
Geophysics	170,686	107,979
Mineral Property & Staking	8,242	7,150
Drilling *(less government assistance)*	-	(50,000)
Total Brabant Lake	**$ 471,824**	**$ 269,839**
Barraute-Landrienne, Quebec		
Geology	$ 3,737	$ 3,510
Geophysics	-	8,728
Option Payment	-	20,000
Acquisition and staking	18,387	1,075
Tax credits receivable	(1,200)	-
Total Barraute-Landrienne	**$ 20,924**	**$ 33,313**
Total exploration expenses	**$ 1,495,359**	**$ 5,662,334**

RESULTS OF OPERATIONS

For the year ended December 31, 2023, the Company incurred a loss of $2,588,983 (2022 - $6,102,016). The decrease of $3,513,033 is mainly related to the following factors: **1.** lower exploration expenses of $4,166,975 (2023 - $1,495,359 vs 2022 - $5,662,334) as the Company completed drilling at HPM in 2022 as well more prospecting and geophysical programs than in 2023. At Brabant Lake, the Company spent an additional $201,985 in 2023 mainly on geological and geophysical compilations and reviews; **2.** lower management fees and salaries of $77,486 (2023 - $456,715 vs 2022 - $534,201) as the CEO's compensation and management's bonuses paid decreased in 2023; **3.** lower investor relations expenses of $57,028 (2023 - $407,283 vs 2022 - $464,311) as less conferences were attended and less investor meetings took place; **4.** lower non-cash share-based payments of $393,508 (2023 - $177,366 vs 2022 - $570,874) as more stock options with a higher total fair value were granted in 2022, offset by; **5.** lower non-cash flow-through share premium of $1,223,477 (2023 - $97,558 vs 2022 - $1,321,035) as higher exploration expenses in 2022 generated a higher flow-through share income recognized.

SELECTED ANNUAL INFORMATION

The following table sets out financial performance highlights for the last three years and was prepared in accordance with IFRS.

	December 31, 2023	**December 31, 2022**	**December 31, 2021**
Interest Income	$47,538	$62,003	$4,958
Operating Expenses (1)	$2,563,463	$6,946,339	$4,730,597
Loss	$2,588,983	$6,102,016	$4,762,730
Basic and Diluted loss per share	$0.01	$0.03	$0.04
Total Assets	$2,352,012	$2,761,244	$2,224,877
Exploration Expenses	$1,495,359	$5,662,334	$4,099,155

(1) The exploration expenses are included in operating expenses and share-based payments are excluded from operating expenses.

The interest income fluctuation from year to year is the direct result of the cash balance available in each of the years. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of cash generating interest from time to time. The variation in the interest rates also has an impact on the interest income. The higher loss in 2022 was directly related to the increased exploration activities at HPM during the year (2023 - $1,002,611 vs 2022 - $5,359,182 vs 2021 - $2,164,074). The total assets in 2023, 2022 and 2021 included $1.8 million, $1.71 million and $1.79 million in cash respectively.

SELECTED QUARTERLY RESULTS

	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023
	$	$	$	$
Total Assets	2,352,012	1,918,073	1,328,429	2,027,924
Current Assets	2,217,467	1,771,020	1,169,268	1,856,455
Non-current Assets	134,545	146,853	159,161	171,469
Total Liabilities	198,233	227,916	216,327	273,366
Interest Income	11,045	10,286	10,613	15,594
Loss	643,435	725,386	643,545	576,617
Loss Per Share (1)	0.00	0.00	0.00	0.00
(i) Loss per share remains the same on a diluted basis				

	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022	First Quarter 2022
	$	$	$	$
Total Assets	2,761,244	5,147,487	7,741,981	3,435,443
Current Assets	2,577,467	4,999,079	7,643,354	3,325,327
Non-current Assets	183,777	148,408	98,627	110,116
Total Liabilities	431,158	2,247,213	1,644,959	232,085
Interest Income	18,791	34,236	7,010	1,966
Loss	782,667	3,484,165	1,277,497	557,687
Loss Per Share (1)	0.00	0.02	0.00	0.01

Due to the nature of the business, the cash balance generating interest income is subject to fluctuations from quarter to quarter. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of funds invested from time to time. The variation in interest rates also has an impact on the interest income. In 2023 and 2022, the Company had $47,538 and 62,003 of interest income mainly due to high interest rates.

In 2023, the Company raised an aggregate $2,537,008 via two private placements. Field exploration was completed at HPM with prospecting and geophysics and in house historical data reviews were the focus for BMK. In the first half of 2022, the Company raised $6,632,495 via a private placement ($5,353,589) and the exercise of warrants ($1,278,906). During Q2/22 and Q3/22, the Company's exploration at the HPM project consisted of airborne geophysics, field reconnaissance and drilling and amounted to $5,030,188.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had a cash of $1,823,972 and working capital (excluding flow-through share premium liability) of $2,114,950 (2022 – $1,706,952 and $2,167,994, respectively). The Company's excess cash, when available, is deposited into interest-bearing accounts or invested in redeemable GICs with major Canadian chartered banks.

As at December 31, 2023, the Company had amounts receivable and prepaid expenses totaling $393,495 which included sales tax receivable of $87,250, tax credits receivable of $188,118, prepaid expenses and other receivables of $118,127.

During 2022, the Company acquired an accommodation building in Saskatchewan at a cost of $50,000 of which $36,000 was payable in 12 monthly payments of $3,000 (from October 2022 to September 2023) and a final lump sum of $14,000 on October 1, 2023. The purchase bore no interest and the final payment of $14,000 was paid November 2, 2023 upon title transfer of the building.

During 2021, the Company purchased an exploration vehicle in the amount of $43,586. This amount was financed via a loan bearing an annual interest rate of 7.89% and is repayable over 60 monthly payments of $881. The balance payable at December 31, 2023 was $23,934.

The December 31, 2023, consolidated financial statements were prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is always dependent on its ability to raise new funds to meet its obligations and continue its exploration activities.

Equity Financing

The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

Private Placement

On July 26, 2023, the Company completed non-brokered private placement and issued 9,000,000 units at a price of $0.06 per unit, 11,500,715 Quebec flow-through units at a price of $0.07 and 2,383,850 flow-through units at a price of $0.065 for aggregate gross proceeds of $1.5 million.

Each unit, Quebec flow-through unit and flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.10 for a period of 24 months expiring July 26, 2025.

Finder's fees totaling $57,005 were paid under the private placement and 636,994 finders' warrants were issued.

On December 28, 2023, the Company completed a non-brokered private placement and issued 9,040,000 units at a price of $0.05 per unit and 10,636,500 national flow-through units at a price of $0.055 for aggregate gross proceeds of $1,037,008.

Each unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.08 for a period of 24 months expiring December 28, 2025.

Finder's fees totaling $41,250 were paid under the private placement and 518,190 finders' warrants were issued. Each whole finders' warrant is exercisable to acquire one additional common share at a price of $0.055 for a period of 24 months expiring December 28, 2025.

Warrants

On April 15, 2023, 5,328,775 warrants exercisable at $0.18 expired unexercised. On December 30, 2023, 24,690,279 warrants exercisable at $0.18 also expired unexercised.

As part of the private placement closed on July 26, 2023, the Company issued 12,079,277 warrants (including 636,994 finders' warrants) at a price of $0.10 for a period of 24 months expiring July 26, 2025.

As part of the private placement closed on December 28, 2023, the Company issued 10,356,440 warrants (including 518,190 finders' warrants) expiring on December 28, 2025. The 9,838,250 warrants issued to shareholders are exercisable at a price of $0.08 while the finders' warrants are exercisable at a price of $0.055. All warrants and finders' warrants expire in 24 months on December 28, 2025.

Stock Options

On January 10, 2023, 710,000 stock options exercisable at $0.19 expired unexercised and on October 31, 2023, 400,000 stock options exercisable at $0.10 also expired.

On December 29, 2023, the Company granted 4,725,000 stock options exercisable at $0.05 for 5 years to directors, officers, employees and consultants of the Company.

General

The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company expects to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in the future depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. The impact on our business and the cost and availability of financing remains uncertain and could affect our overall liquidity.

Commitments and Obligations

Management Contracts
The Company entered into consulting and employment agreements for the services of its key executives. Under the agreements, additional payments totalling $1,381,300 are be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is $380,650, in aggregate. The minimum commitment due within one year under the terms of the agreements is $690,600, in aggregate.

Flow-Through Indemnification
As at December 31, 2023, the Company has to incur $776,069 in qualifying exploration expenditures by December 31, 2024 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

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.

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

*Prop*erty *Option Agreement*
On April 28, 2021, the Company optioned certain claims forming the Barraute-Landrienne property whereby Murchison can earn 100% in 75 mineral claims covering 2,377 hectares, by making payments totaling $500,000 and property expenditures of $1.0 million over a 6-year period. On February 3, 2023, the Company terminated the option agreement.

The Company has no long-term contractual obligations other than the loans payable as disclosed above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) Remuneration of directors and the officers was as follows:

	2023	2022
Salaries and benefits	$ 575,000	$ 544,723
Share-based payments	137,825	355,305
	$ 712,825	**$ 900,028**

For the year ended December 31, 2023, the salaries and benefits above include $187,500 (2022 - $275,000) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO and also include $140,600 (2022 - $183,323) for fees invoiced by a corporation controlled by the CFO of the Company for his services as CFO. Included in accounts payable and accrued liabilities at December 31, 2023 is $10,500 (2022 - $nil) owed to the CFO and $nil (2022 - $13,325) owed to the CEO. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

b) Private Placements
As part of the private placement completed on December 28, 2023, a director of the Company acquired 8,500,000 common share units for gross proceeds of $425,000.

As part of the private placement completed on July 26, 2023, a director of the Company acquired 7,000,000 common share units for gross proceeds of $420,000.

As part of the private placement completed on June 30, 2022, a director of the Company acquired 7,944,444 common share units for gross proceeds of $715,000 and another director acquired 142,857 flow-through units for gross proceeds of $15,000.

c) Warrant Incentive Program
In January 2022, two directors exercised 4,187,500 warrants at a price of $0.12 for aggregate gross proceeds of $502,500. Also, as part of the warrant exercise incentive program implemented on March 17, 2022, officers and directors of the Company exercised 9,436,550 warrants at a price of $0.12 for gross proceeds of $1,132,386. As part of this incentive program, the Company issued 4,718,275 warrants to the officers and directors exercisable at $0.18 until April 15, 2023. The fair value of these incentive warrants was $75,492.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no transactions currently pending.

CHANGES IN ACCOUNTING POLICIES

New and future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the consolidated financial statements.

During the year ended December 31, 2023, the Company adopted IAS 1 – Presentation of Financial Statements ("IAS 1") (as 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. The amendments were effective for annual periods beginning on January 1, 2024. The Company has adopted IAS 1 and it had no material impact on the Company's financial statements.

FINANCIAL INSTRUMENTS

	2023	2022
Financial assets:		
Amortized cost		
Cash and cash equivalents	$ 1,823,972	$ 1,706,952
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 91,929	$ 357,895
Loans payable	23,934	73,263

As of December 31, 2023 and 2022, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature, except as for the investment which is presented at fair value.

Significant accounting judgments and estimates:
The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to the following:

- ***Assets' carrying values and impairment charges***
  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- ***Income and other taxes***
  Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

  Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

  Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- ***Share-based payments and warrants***
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

- ***Tax credits receivable***
  The Tax credit receivable for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made. or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

Capital Management:

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and
- to maximize shareholders return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2023 and 2022. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders’ Equity Data
As of February 27, 2024, the following are outstanding:

- Common Shares 260,773,022
- Stock Options 25,110,000
- Warrants 22,435,717

Uncertainties and Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

In addition to the risks outlined below, Murchison has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Murchison are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its future expenditures.

The Innu Takuaikan Uashat mak Mani-utenam (ITUM) - the Innu Government of the Innu First Nation of Uashat mak Mani-utenam, located near Sept-Îles, Québec have communicated to the Company that part of Murchison’s HPM Nickel-Copper-Cobalt exploration is located on their traditional territory and they do not welcome mining exploration on this part of their traditional territory. While Murchison legally acquired all of its mineral claims comprising the HPM Project and has abided by all laws and regulations governing exploration activities, the opposition from the ITUM may impact the Company’s ability to continue work unencumbered by social acceptability factors at the HPM Project.

Exploration, Development and Operating Risks
Mining operations generally involve a high degree of risk. The Company’s operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral-bearing structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by The Company will result in a profitable commercial mining operation. Whether a gold or other mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in The Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of gold or other minerals will result in discoveries of commercial quantities of gold or other minerals.

Country Risk
The Company may conduct business in jurisdictions and some countries in which the title to its properties may be uncertain or where access to infrastructure, or political stability, or security, among other things, may be unknown, or known, and prevent, or severely compromise, the Company from carrying out business. It may be that the Company accepts some or all of these risks, to the extent that they can be determined at all, in favour of acquiring properties with exceptional exploration and development potential, and may ultimately be prevented from exploring and developing those properties for any number of reasons which may, or may not, be predictable, foreseeable, or manageable.

Current Economic Conditions
There are significant uncertainties regarding the price of precious metals and other minerals and the availability of equity financing for the purposes of mineral exploration and development. The prices of precious metals and other minerals have fluctuated substantially over the past several years. The Company's future performance is largely tied to the development of its current mineral properties and the overall financial markets. Current financial markets are likely to be volatile for the remainder of the calendar year, reflecting ongoing concerns about the stability of the global economy and global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets for commodities other than gold. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Limited Operating History
The Company has a limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. It is common in new mining operations to experience unexpected problems and delays. In addition, delays in the commencement of mineral production often occur. There is no assurance that the Company will be successful in achieving a return on shareholders' investment or successfully establish mining operations and the likelihood of success must be considered in light of its early stage of operations.

Reliability of Resource Estimates
There is no certainty that any mineral resources identified in the future on any of the Company's properties will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.
Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition from time to time.

Insurance and Uninsured Risks
The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to The Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company may in the future maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards
All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Infrastructure
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Land Title
No assurances can be given that there are no title defects affecting property or any other property interests of the Company. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds an interest and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition
The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire additional attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital
The development and exploration of the Company's properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. The primary source of funding available to the Company consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices
The price of the Company's common shares, the Company's financial results and exploration, development and mineral development activities may in the future be significantly adversely affected by declines in the price of precious metals or other minerals. The price of precious metals and other minerals fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates,

inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of precious metals or other minerals could cause continued development of and commercial production from the Company's properties to be impracticable. Depending on the price of precious metals and other minerals, cash flow from mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mineral exploration properties is dependent upon the prices of precious metals and other minerals being adequate to make these properties economic.

In addition to adversely affecting the Company's future resource or reserve estimates, if any, and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation
The development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not otherwise be applied in a manner which could limit or curtail production or development in any of the jurisdictions in which the Company operates. Amendments to other current laws and regulations governing mineral exploration and development or more stringent implementation thereof could also have a substantial adverse impact on the Company.

Dividend Policy
No dividends on the common shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

Dilution to the Company Common Shares
As of February 27, 2024, the Company had 260,773,022 common shares and 47,545,717 convertible securities issued and outstanding. The increase in the number of securities issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional securities, the voting power of the existing shareholders in the Company will be diluted.

Key Executives
The Company is dependent on the services of key executives, including the directors of Murchison and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest
Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Murchison should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Murchison and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Canada Business Corporations Act and other applicable laws.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on the Company's current expectations. Forward-looking information can often be identified by forward looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. Readers are cautioned not to place undue reliance on forward-looking information.