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RED CANYON RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

This report ("Management's Discussion and Analysis") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in financial condition between December 31, 2023 and December 31, 2022 and results of operations for the years ended December 31, 2023 and 2022, as well as forward-looking statements relating to the potential future performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below. This Management's Discussion and Analysis has been prepared as of **April 25, 2024** ("Report Date"). This Management's Discussion and Analysis is intended to supplement and complement the audited consolidated financial statements and notes thereto for the years ended December 31, 2023 and 2022 (collectively the "Financial Statements"). You are encouraged to review the Financial Statements in conjunction with your review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein.

1. CORE BUSINESS

Red Canyon Resources Ltd. ("Red Canyon" or the "Company") was incorporated on October 2, 2020 under the laws of British Columbia. The Company's principal business activities include the acquisition and exploration of mineral property assets in North America. The address of the Company's corporate office and its principal place of business is Suite 1210 – 1130 West Pender Street, Vancouver, British Columbia, Canada. The Company's shares were approved for trading on the Canadian Securities Exchange ("CSE") under the symbol "REDC" on October 25, 2023.

The Company has one wholly owned subsidiary: RC Metals Inc. The accounts of the subsidiary are consolidated with the Company.

The Company is focused on mineral exploration in British Columbia and the western United States. As of December 31, 2023, the Company held 100% interest in five copper related properties in British Columbia, a copper-gold-molybdenum property in Nevada, and a copper-gold property in Utah as follows:

- British Columbia – **Peak** (Cariboo Regional District), **SP** (Cariboo Regional District), **Kendal** (Kitimat-Stikine Regional District), **Ping** (Fraser-Fort George Regional District), **Cooper** (Cariboo Regional District);
- Nevada – **Scraper Springs** (Elko County); and
- Utah – **Keg** (Juab County).

See Section 7.1 "Exploration and Evaluation Activities" below for a description of the properties and the work programs.

2. FINANCIAL CONDITION

As at December 31, 2023, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a net loss of $237,504 for the year ended December 31, 2023 (2022: $258,879) and, as of that date, the Company had an accumulated deficit of $840,682. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company had a working capital surplus of $781,535 at December 31, 2023 (December 31, 2022: $75,078) which includes a flow-through premium liability of $210,581 that will be settled when the Company incurs eligible "Canadian Exploration Expenses" ("CEE") that are Qualifying Expenses within the meaning of the Tax Act for flow-through ("FT") shares.

Cash was $968,620 at December 31, 2023 (December 31, 2022: $269,396). Restricted cash was $20,763 at December 31, 2023 (December 31, 2022: $20,210) and consists of a savings account held at a financial institution as security against a company credit card. The Company's sources and uses of cash are discussed in Section 4 "Cash Flows" below.

Amounts and other receivable of $46,013 at December 31, 2023 (December 31, 2022: $11,868) mainly consist of GST input tax credits.

Prepaid expenses of $19,928 at December 31, 2023 (December 31, 2022: $3,296) include normal operating expenses.

Reclamation bonds of $120,000 at December 31, 2023 (December 31, 2022: $nil) held by the Province of British Columbia in connection with the Peak, Kendal, Ping and SP projects are returnable to the Company only after the government agencies are satisfied that there is no outstanding reclamation liability associated with the land.

Equipment of $2,254 at December 31, 2023 (December 31, 2022: $883) consists of computer and field equipment.

Exploration and evaluation assets of $1,920,710 at December 31, 2023 (December 31, 2022: $1,015,386) consist of acquisition and exploration expenditures on the Company's mineral properties and are discussed in Section 7 "Exploration and Evaluation Activities" below.

Trade and other payables were $63,208 at December 31, 2023 (December 31, 2022: $229,970). Trade and other payables are unsecured and are usually paid within 30 days of recognition. Included in trade and other payables is $1,491 (December 31, 2022: $130,218) due to related parties which consists of amounts owed to a director and a significant shareholder for salary and expense reimbursements.

During the year ended December 31, 2023, the Company raised gross proceeds of $1,291,705 through FT unit offerings (the "FT Unit Offerings") that are to be used to incur eligible CEE that are Qualifying Expenses within the meaning of the Tax Act for FT shares. The Company is committed to renounce $1,291,668 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024.

The Company recorded aggregate flow-through premium liability of $471,235 on the FT Unit Offerings which will be settled when the Company incurs the CEE. During the year ended December 31, 2023, the Company incurred $695,057 in Qualifying Expenses and recognized $260,654 in FT share premium income. As at December 31, 2023, the Company had a remaining commitment to incur $596,611 in Qualifying Expenses and the remaining flow-through premium liability was $210,581.

3. FINANCIAL PERFORMANCE

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with current exploration activities being conducted in both Canada and the United States.

Because the Company is in the exploration stage, it did not earn any revenue from production and its expenses relate to the costs of operating a private company of its size until its listing on the CSE in October 2023, following which its operating expenses increased. Net loss for the year ended December 31, 2023 was $237,504 and comprehensive loss after cumulative translation adjustment was $235,166 or $0.01 per share, compared to a net loss of $258,879 and comprehensive loss of $261,486 for the year ended December 31, 2022 or $0.01 per share. Net loss for the three months ended December 31, 2023 was $19,454 and comprehensive loss after cumulative translation adjustment was $16,926 or $0.00 per share, compared to a net loss of $134,834 and comprehensive loss of $135,084 for the three months ended December 31, 2022 or $0.01 per share.

3.1 Total expenses for the year ended December 31, 2023

Total expenses for the year ended December 31, 2023 were $477,558 compared to total expenses of $298,437 for the year ended December 31, 2022.

Accounting and audit fees were $47,308 for the year ended December 31, 2023 compared to $56,351 in expenses recorded in the 2022 comparative period, and include accounting, audit, review, administrative fees and tax return preparation.

Employee costs were $237,531 for the year ended December 31, 2023 compared to $160,244 in employee costs recorded in the 2022 comparative year. Employee costs consist of consulting fees, management, salaries and benefits and share-based payments. The following is a breakdown of material components of the Company's employee costs for the year ended December 31, 2023 and 2022.

	Year ended December 31, 2023 $	**Year ended December 31, 2022 $**
Consulting fees	642	30,164
Management	98,601	38,937
Salaries and benefits	100,981	60,661
Share-based payments	37,307	30,482
	237,531	160,244

Consulting fees include payments for administrative and corporate services and advisors. During the year ended December 31, 2022, NewQuest Capital Inc. ("NewQuest", a significant shareholder of the Company) was paid $30,000 in strategic consulting fees (see Section 12 "Transactions Between Related Parties" below).

Management expenses consist of salary allocations paid to the CEO and CFO of the Company as well as director's fees effective September 1, 2023. Management fees increased during the 2023 financial period in support of the Company's growing operations.

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Salaries and benefits increased during the 2023 financial year in support of the Company's growing operations.

Share-based payments of $37,307 for the year ended December 31, 2023 represent 250,000 stock options granted and vested during the year. During the year ended December 31, 2022, 350,000 stock options were granted and vested, of which $30,482 was expensed to share-based payments and $22,764 was capitalized to exploration and evaluation assets.

Depreciation expense on computer and field equipment was $481 for the year ended December 31, 2023 (2022: $378).

Filing fees were $40,648 for the year ended December 31, 2023 compared to $2,487 in filing fees recorded for the 2022 comparative year and consist of costs related to the Company's non-offering prospectus, CSE listing application, annual corporate filings, reports of exempt distribution and Form D for share issuances.

General exploration expenses were $37,536 for the year ended December 31, 2023 compared to $55,999 in general exploration expenses recorded for the 2022 comparative year. General exploration expenses include project generation costs.

Investor communication expenses were $11,204 for the year ended December 31, 2023 compared to $542 in expenses incurred during the 2022 comparative year, and consist of advertising, attendance at trade shows and conferences, news releases, website maintenance and transfer agent fees.

Legal fees were $57,857 for the year ended December 31, 2023 compared to $1,384 in legal fees recorded for the 2022 comparative year. Legal fees of $52,538 were incurred in connection with the Company's non-offering prospectus and CSE listing application, and the balance relates to general corporate and commercial matters.

Office expenses were $35,905 for the year ended December 31, 2023 compared to $18,731 in expenses recorded for the 2022 comparative year. Office expenses increased to support the Company's active and growing operations, including sublease of office space effective September 1, 2022. The following is a breakdown of the Company's office expenses for the year ended December 31, 2023 and 2022.

	Year ended December 31, 2023 $	**Year ended December 31, 2022 $**
Bank charges and interest	1,431	888
Insurance	2,726	-
IT and web	6,530	4,499
Meals and entertainment	3,691	3,736
Office supplies and expenses	5,551	4,928
Rent	14,500	4,000
Telephone	1,476	680
	35,905	18,731

Travel expenses were $9,088 for the year ended December 31, 2023 compared to $2,321 in expenses recorded for the 2022 comparative year. Travel includes attendance at trade shows and conferences.

3.2 Total other income and expenses for the year ended December 31, 2023

FT share premium income of $260,654 (2022: $nil) was recognized during the year ended December 31, 2023 upon incurrence of $695,057 of eligible CEE. Finance income of $34,489 recorded during the year ended December 31, 2023 (2022: $3,477) consists of bank interest. Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary. Impairment expense of $34,070 was recorded on the Hatter property during the year ended December 31, 2023 compared to impairment expense of $3,549 recorded on the Lou property during the 2022 comparative year.

3.3 Total expenses for the three months ended December 31, 2023

Total expenses for the three months ended December 31, 2023 were $147,616 compared to total expenses of $125,306 for the 2022 comparative period.

Employee costs were $59,091 for the three months ended December 31, 2023 compared to $59,646 in employee costs recorded in the 2022 comparative period. Employee costs consist of consulting fees, management, salaries and benefits and share-based payments. The following is a breakdown of material components of the Company's employee costs for the periods ended December 31, 2023 and 2022.

	Three months ended December 31, 2023 $	Three months ended December 31, 2022 $
Consulting fees	-	173
Management	30,288	12,129
Salaries and benefits	28,803	16,862
Share-based payments	-	30,482
	59,091	59,646

Consulting fees include payments for administrative services.

Management expenses consist of salary allocations paid to the CEO and CFO of the Company as well as director's fees effective September 1, 2023. Management fees increased during the 2023 financial period in support of the Company's growing operations. (See Section 12 "Transactions Between Related Parties" below).

Salaries and benefits consist of salaries paid to the CFO and employees of the Canadian head office, employer payroll expenses, group health premiums and WorkSafeBC premiums. Salaries and benefits increased during the 2023 financial period in support of the Company's growing operations.

During the three months ended December 31, 2022, 350,000 stock options were granted and vested, of which $30,482 was expensed to share-based payments and $22,764 was capitalized to exploration and evaluation assets.

Depreciation expense on computer and field equipment was $159 for the three months ended December 31, 2023 (2022: $94).

Filing fees were $13,268 for the three months ended December 31, 2023 compared to $1,737 in filing fees recorded for the 2022 comparative period and consist of costs related to the Company's non-offering prospectus, CSE listing application, CSE listing fees and annual corporate filings.

General exploration expenses were $5,920 for the three months ended December 31, 2023 compared to $6,626 in general exploration expenses recorded for the 2022 comparative period. General exploration expenses include project generation costs.

Investor communication expenses were $7,347 for the three months ended December 31, 2023 compared to $41 in expenses incurred during the 2022 comparative period, and consist of advertising, news releases, transfer agent and website maintenance.

Legal fees were $16,299 for the three months ended December 31, 2023 compared to $398 in legal fees recorded for the 2022 comparative period. Legal fees were incurred in connection with the Company's non-offering prospectus and CSE listing application, and the balance relates to general corporate and commercial matters.

Office expenses were $13,657 for the three months ended December 31, 2023 compared to $6,523 in expenses recorded for the 2022 comparative period. The following is a breakdown of the Company's office expenses for the periods ended December 31, 2023 and 2022.

	Three months ended December 31, 2023 $	**Three months ended December 31, 2022 $**
Bank charges and interest	126	18
Insurance	2,726	-
IT and web	1,546	1,381
Meals and entertainment	1,758	612
Office supplies and expenses	1,574	1,173
Rent	5,500	3,000
Telephone	427	339
	13,657	6,523

3.4 Total other income and expenses for the three months ended December 31, 2023

FT share premium income of $175,192 (2022: $nil) was recognized during the three months ended December 31, 2023 upon incurrence of $467,166 of eligible CEE. Finance income of $8,827 recorded during the three months ended December 31, 2023 (2022: $1,143) consists of bank interest. Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary. Impairment expense of $34,070 was recorded on the Hatter property during the three months ended December 31, 2023 compared to impairment expense of $3,549 recorded on the Lou property during the 2022 comparative period.

4. CASH FLOWS

The Company is in the exploration and evaluation stage and as such does not earn any revenue from production. Total cash used in operating activities was $534,834 for the year ended December 31, 2023 compared to cash used of $176,325 during the 2022 comparative year. The Company incurred net loss of $237,504 with adjustments to add back items not involving cash (depreciation, foreign exchange, share-based payments, flow-through share premium income and impairment) and adjustments for non-cash working capital items (amounts receivable, prepaid expenses, trade and other payables) to calculate the cash used in operating activities.

Total cash flows used in investing activities was $1,167,462 during the year ended December 31, 2023 (2022: $444,721) and consist of expenditures of $1,045,610 (2022: $444,721) on exploration and evaluation assets, a reclamation bond deposit of $120,000 and $1,852 in purchase of equipment.

Total cash flows provided by financing activities was $2,402,524 during the year ended December 31, 2023 and include $2,440,457 in proceeds from share issuances less $37,933 in share issuance costs. Cash flows provided by financing activities were $119,722 for the 2022 comparative year and consisted of $120,000 in proceeds from share issuances less $278 in share issuance costs.

5. SELECTED ANNUAL INFORMATION

The table below presents selected financial data for the Company's annual financial statements for each of the three most recently completed financial years. The financial data provided is prepared in accordance with IFRS and is presented in Canadian dollars.

	December 31, 2023 $	**December 31, 2022 $**	**December 31, 2021 $**
Total revenue	-	-	-
Net loss for the period	(237,504)	(258,879)	(340,478)
Comprehensive loss for the period	(235,166)	(261,486)	(340,777)
Loss per share, basic	(0.01)	(0.01)	(0.02)
Loss per share, diluted	(0.01)	(0.01)	(0.02)
Total assets	3,098,288	1,321,317	1,255,801
Total long term liabilities	-	-	-
Cash dividend declared per share	-	-	-

During the year ended December 31, 2021, the Company realized a net loss of $340,478 in the Company's first full year of operations. Employee costs totalled $287,213 which includes $102,000 in strategic consulting fees paid to NewQuest Capital Inc. ("NewQuest", a significant shareholder of the Company with certain directors in common) and $164,948 in share-based payments for the grant of 2,150,000 stock options to directors, officers, employees and consultants of the Company. A further 200,000 stock options were granted to geological consultants and the fair value of $15,344 was capitalized to exploration and evaluation assets.

During the year ended December 31, 2022, the Company realized a net loss of $258,879. Employee costs totalled $160,244 which includes $30,000 in strategic consulting fees paid to NewQuest and $30,482 in share-based payments for the grant of 200,000 stock options to consultants of the Company. A further 150,000 stock options were granted to a geological consultant and the fair value of $22,764 was capitalized to exploration and evaluation assets.

During the year ended December 31, 2023, the Company realized a net loss of $237,504, which is comparable to the previous year's loss. Employee costs totalled $237,531 which includes $37,307 in share-based payments for the grant of 250,000 stock options to a director and an employee of the Company. Employee costs increased in general to support the Company's development into a public company with active exploration programs. Legal fees and filing fees were also incurred in connection with the Company's prospectus filing and listing application. FT share premium income of $260,654 was recognized upon incurring qualifying exploration expenditures.

Comprehensive loss includes cumulative translation adjustments on the translation of the US functional currency subsidiary into the presentation currency.

During the 2021 financial year, the Company raised gross proceeds of $1,251,641 from private placements and warrant exercises and received gross subscription receipts of $92,200 for a private placement that closed in January 2022. The Company's mineral property acquisition and exploration activities during the year contributed to the $456,862 in exploration and evaluation assets at December 31, 2021.

During the 2022 financial year, the Company raised gross proceeds of $212,200 from private placements. The Company's mineral property acquisition and exploration activities during the year contributed to the $1,015,386 in exploration and evaluation assets at December 31, 2022.

During the 2023 financial year, the Company raised gross proceeds of $1,969,222 from private placements. The Company's mineral property acquisition and exploration activities during the year contributed to the $1,920,710 in exploration and evaluation assets at December 31, 2023.

6. MAJOR OPERATING MILESTONES

6.1 Period from January 1 to December 31, 2023

In January 2023, the Company expanded the Ping property by staking an additional mineral claim totalling 606 hectares.

On March 31, 2023, the Company raised gross proceeds of $539,000 through the issuance of 2,450,000 units priced at $0.22 (each, a "Unit"). Each Unit is comprised of one common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the Units was allocated to the warrants. Finder's fees of $10,758 and 48,900 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing.

On April 25, 2023, the Company raised gross proceeds of $536,690 through the issuance of 2,439,500 Units priced at $0.22. $Nil of the Units was allocated to the warrants. Finder's fees of $2,501 and 11,370 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing.

On April 25, 2023, the Company raised gross proceeds of $282,705 through the issuance of 856,682 FT units priced at $0.33 (each, a "FT Unit"). Each FT Unit is comprised of one FT common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the FT Units was allocated to the warrants. Finder's fees of $7,989 and 24,210 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing. The Company recorded a FT premium liability of $94,235.

The FT proceeds are intended to be used to incur eligible CEE that are Qualifying Expenses within the meaning of the Tax Act for FT shares.

On May 4, 2023, the Company raised gross proceeds of $976,000 through the issuance of 2,772,727 charity flow-through units priced at $0.352 (each, a "CFT Unit"). Each CFT Unit is comprised of one FT common share and one-half of a share purchase warrant, with each whole warrant exercisable at $0.40 per share for a two year term. $Nil of the CFT Units was allocated to the warrants. The Company recorded a FT premium liability of $366,000.

In connection with the CFT Unit Offering closed on May 4, 2023, the Company is committed to renounce $975,972 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024. During the year ended December 31, 2023, the Company incurred $695,057 in Qualifying Expenses and recognized $260,654 in FT share premium income.

On May 5, 2023, the Company raised gross proceeds of $63,470 through the issuance of 288,500 Units priced at $0.22. $Nil of the Units was allocated to the warrants. Finder's fees of $1,398 and 2,400 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing.

On May 5, 2023, the Company raised gross proceeds of $33,000 through the issuance of 100,000 FT Units priced at $0.33. $Nil of the FT Units was allocated to the warrants. The Company recorded a FT premium liability of $11,000.

In connection with the FT Unit Offering closed on April 25, 2023 and May 5, 2023, the Company is committed to renounce $315,696 in Qualifying Expenses by December 31, 2023 and incur such expenses by December 31, 2024.

In May 2023, the Company expanded the Peak property by staking an additional three mineral claims totalling 1,086 hectares.

On June 1, 2023, Lauren Roberts was appointed as a director of the Company to replace Tero Kosonen, who resigned from the role and transitioned to a corporate advisor to the Company.

On June 1, 2023, 250,000 stock options exercisable at $0.22 per share for a five year term were granted to a director and an employee. The options vested immediately.

In June 2023, the Company received a Mines Act permit to conduct exploration activities on the Kendal project.

On July 10, 2023, the Company raised gross proceeds of $9,592 through the issuance of 43,600 Units priced at $0.22. $Nil of the Units was allocated to the warrants. Finder's fees of $180 and 816 finder's warrants exercisable into common shares at $0.40 for a two year term were paid on a portion of the financing.

In July 2023, the Company received a Mines Act permit to conduct exploration activities on the Ping project.

On August 3, 2023, the Company acquired a 100% royalty free interest in the Cooper property by way of staking. Cooper is comprised of eight mineral claims totalling 5,445 hectares located in south central British Columbia, approximately 50 km northeast of the community of 100 Mile House.

In August 2023, the Company received Mines Act permits to conduct exploration activities on the Peak and SP projects.

From August to September 2023, Scott Geophysics Ltd. was engaged to complete a 17 line km pole-dipole Induced Polarization ("IP") geophysical survey on the Peak property.

During September 2023, Scott Geophysics Ltd. was engaged to complete three lines of (3.6 line-km) IP geophysical survey on the SP property.

On October 13, 2023, the British Columbia Securities Commission issued the final receipt for the Company's non-offering prospectus dated October 12, 2023.

On October 25, 2023, the Company's common shares began trading on the Canadian Securities Exchange under the symbol "REDC".

In October 2023, the Company conducted a first pass diamond drill program at its Ping South copper-gold project in central British Columbia, completing four diamond drill holes totalling 665 m.

In November 2023, the Company announced the results of a 17 line km IP geophysical survey at its Peak copper-gold project in central British Columbia.

In December 2023, the Company elected not to maintain the Hatter property and accordingly $3,236 in acquisition costs and $30,834 in exploration costs were written off during the year ended December 31, 2023. The three claims were forfeited in January and April 2024.

6.2 Period from January 1, 2024 to the Date of this Report

Effective February 27, 2024, the Company entered into an Exploration Lease and Option to Purchase Agreement with an arm's length party under which the Company is granted exclusive mineral and surface rights to certain private lands within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property.

On March 21, 2024, 25,000 stock options exercisable at $0.10 per share were cancelled.

7. Exploration and Evaluation Activities

7.1 Exploration and Evaluation Activities for the Year Ended December 31, 2023

The Company is in the mineral exploration stage and as such has no revenues. Mineral interests in the form of exploration and acquisition costs totalled $1,920,710 as at December 31, 2023 (December 31, 2022: $1,015,386).

Total costs incurred on exploration and evaluation assets for the year ended December 31, 2023 and 2022 are summarized as follows:

	British Columbia $	Nevada $	Utah $	Total $
Acquisition costs				
Balance, December 31, 2021	12,916	169,396	118,867	301,179
Additions	23,335	50,378	15,452	89,165
Impairment	(2,640)	-	-	(2,640)
Foreign exchange	-	13,474	8,739	22,213
Balance, December 31, 2022	33,611	233,248	143,058	409,917
Additions	12,490	45,176	15,874	73,540
Impairment	(3,236)	-	-	(3,236)
Foreign exchange	-	(6,157)	(3,599)	(9,756)
Balance, December 31, 2023	42,865	272,267	155,333	470,465
Exploration costs				
Balance, December 31, 2021	48,461	107,222	-	155,683
Additions				
Administration	22,764	-	-	22,764
Geology	204,923	26,331	117	231,371
Mapping and sampling	127,912	11,212	-	139,124
Project manager	43,254	1,436	-	44,690
Reports	17,717			17,717
BC Mineral Exploration Tax Credit	(14,538)	-	-	(14,538)
	402,032	38,979	117	441,128
Impairment	(909)	-	-	(909)
Foreign exchange	-	9,563	4	9,567
Balance, December 31, 2022	449,584	155,764	121	605,469

Additions				
Community relations	7,587	-	-	7,587
Drilling	388,123	5,525	-	393,648
Geology	146,935	29,178	9,079	185,192
Geophysics	162,307	-	-	162,307
Prospecting, mapping, sampling	71,050	-	-	71,050
Project manager	42,692	-	-	42,692
Reports	1,600	16,204	-	17,804
	820,294	50,907	9,079	880,280
Impairment	(30,834)	-	-	(30,834)
Foreign exchange	-	(4,527)	(143)	(4,670)
Balance, December 31, 2023	1,239,044	202,144	9,057	1,450,245
Total acquisition costs and exploration expenditures				
December 31, 2021	61,377	276,618	118,867	456,862
December 31, 2022	483,195	389,012	143,179	1,015,386
December 31, 2023	1,281,909	474,411	164,390	1,920,710

7.2 Peak (Cariboo Regional District, British Columbia)

As at December 31, 2023, Peak was comprised of 15 mineral claims totalling 6,718 hectares located in south central British Columbia, approximately 30 km northeast of Williams Lake. The Company acquired 14 of the claims by staking and one claim was purchased from an arm's length vendor for $575 and a 1% net smelter return ("NSR") royalty that the Company may purchase for $1,000,000 at any time.

During the year ended December 31, 2023, the Company expended $1,901 in acquisition costs (2022: $4,263) and $169,754 in exploration costs (2022: $260,469) on Peak which included prospecting and an IP geophysical survey program. During the year ended December 31, 2022, the Company received a British Columbia Mining Exploration Tax Credit ("METC") of $3,408 which reduced the carrying value of the Peak Property. As at December 31, 2023, total acquisition and exploration expenditures recorded on Peak was $450,669 (2022: $279,014).

About the Peak Property

The Peak property is located in the Cariboo region of southcentral British Columbia, approximately 30 km northeast of the City of Williams Lake. Peak is a large, 6,718-hectare, strategic land position situated in a copper district with active large scale mining operations and excellent infrastructure. The Project is located approximately 28 km southwest of the Mount Polley copper-gold mine and 20 km southeast of the Gibraltar copper-molybdenum mine.

A series of complex magnetic highs spanning over approximately 15 km of interpreted Quesnellia Island Arc Terrane have been identified using magnetic inversion modeling and are considered by the Company to be prospective for copper-gold. Project wide soil geochemistry has outlined anomalous areas of copper associated with magnetic features that may reflect the presence of porphyry-type intrusions in the bedrock. An IP geophysical survey, which focused on coincident magnetic features with elevated copper in soils, was completed by the Company in 2023. Four of the seven targets tested show IP chargeability highs coincident with elevated copper geochemistry and interpreted intrusion related magnetic features.

The Company's primary drill-ready target is at Peak Central, which represents an area of complex magnetic highs and lows associated with altered and mineralized porphyritic rocks. A 2011 IP survey at Peak Central outlined a large chargeability zone west of outcropping copper bearing porphyritic rocks, which has not been drill tested.

Additional information on the Peak project can be found in the NI 43-101 Technical Report dated May 1, 2023, as filed on SEDAR+ at www.sedarplus.ca.

2023 Work Program - Peak

Work completed during the year ended December 31, 2023 includes significant reprocessing of existing airborne and drone magnetic data completed to better characterize and prioritize magnetic anomalies, particularly in the area covered by the 2022 geochemical and geological work. These surveys were successful in delineating targets for potential drill testing.

From August to September 2023, Scott Geophysics Ltd. was engaged to complete a 17 line km pole-dipole IP geophysical survey over a series of interpreted intrusion-related magnetic features with coincident or proximal elevated copper-in-soils geochemistry. The IP program was designed to test for chargeable zones associated with seven interpreted intrusion-related magnetic features. Four of the seven targets show coincident IP chargeability highs, which the Company believes upgrades the potential for these targets to be associated with copper porphyry systems.

The Company plans to drill the Peak Central high chargeability zone and an adjacent deep, highly resistive zone in 2024, as well as new high priority target areas recently outlined. For more information on the IP program, refer to the Company's news release dated November 9, 2023.

7.3 SP (Cariboo Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the SP property, which it acquired by way of staking. At December 31, 2023, SP was comprised of four mineral claims totalling approximately 3,763 hectares located in south central British Columbia approximately 50 km northeast of Williams Lake.

During the year ended December 31, 2023, the Company expended $nil in acquisition costs (2022: $nil) and $46,993 in exploration costs (2022: $8,132) on SP which included an IP geophysical survey program. During the year ended December 31, 2022, the Company received a British Columbia METC of $11,130 which reduced the carrying value of the SP Property. As at December 31, 2023, total acquisition and exploration expenditures recorded on SP was $87,682 (2022: $40,689).

About the SP Property

The SP Project located in the South Cariboo region in the south-central British Columbia covers a strategic land position of 3,763 hectares underlain by geology of the Quesnel Terrane. The Project area is located 6 km southwest of the Mount Polley copper-gold mine within geologically similar rocks. Previous exploration at SP has identified areas of anomalous copper and gold soil geochemistry, coincident with large magnetic highs that may indicate the presence of porphyry-related intrusive rocks, similar to copper-bearing rocks elsewhere in Quesnellia.

2023 Work Program - SP

Work completed during the period ended December 31, 2023 includes reprocessing of existing airborne magnetic data completed to better characterize and prioritize magnetic anomalies associated with historical geochemically anomalous soil samples and an interpreted cross trend structure.

During September 2023, Scott Geophysics Ltd. was engaged to complete three lines of (3.6 line-km) pole-dipole IP geophysical survey over a series of magnetic features associated with elevated copper and gold in soils. The IP program was designed to test for the presence of chargeable rocks associated with two areas of interest. One weakly chargeable (6-8 mV/V) zone with a moderately high resistive zone (1500-3000 Ohm-metres) was identified on one of the three lines. No further work is planned at this time.

7.4 Hatter (Thompson-Nicola Regional District, British Columbia)

The Company owned a 100% royalty-free interest in the Hatter property, which it acquired by way of staking. Hatter was comprised of three mineral claims totalling approximately 1,849 hectares located in south central British Columbia approximately 20 km south of Merritt, BC.

During the year ended December 31, 2023, the Company expended $nil in acquisition costs (2022: $3,236) and $6,567 in exploration costs (2022: $24,267) on Hatter.

The Company elected not to maintain the claim and accordingly $3,236 in acquisition costs and $30,834 in exploration costs were written off during the year ended December 31, 2023.

7.5 Kendal (Kitimat-Stikine Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Kendal property, which it acquired by way of staking. At December 31, 2023, Kendal was comprised of five mineral claims totalling approximately 2,738 hectares located in west central British Columbia approximately 25 km northeast of Terrace.

During the year ended December 31, 2023, the Company expended $nil in acquisition costs (2022: $4,792) and $125,568 in exploration costs (2022: $63,243) on Kendal which included prospecting and an airborne magnetic and radiometric survey program. As at December 31, 2023, total acquisition and exploration expenditures recorded on Kendal was $193,603 (2022: $68,035).

About the Kendal Property

The Kendal Project comprises five mineral claims totalling 2,738 hectares located in west-central British Columbia, approximately 25 km northeast of the city of Terrace, a regional infrastructure hub with a well-serviced airport. Infrastructure is excellent with four intersecting highways, hydroelectric power and rail corridors and port facilities approximately 120 km to the west at Prince Rupert. The project has direct road access, only 3.5 km from Highway 16.

A key focus of the Kendal project is the large 2.5 x 1.5 km zone of hydrothermal alteration, manifested as a phyllic zone associated with an interpreted mineralized porphyry intrusion. The Company has completed detailed geological interpretation, a lithogeochemistry vectoring study, magnetic inversion modeling and radiometric studies. These technical studies have significantly enhanced our confidence that Kendal may represent a newly discovered, never drilled, copper porphyry system.

The area is underlain by Latest Triassic-Early Jurassic Hazelton Group volcanic rocks that are intruded by coeval plutons, then by later stocks and dykes associated with the Cretaceous to Tertiary Coast Plutonic Complex.

Previous mapping and sampling also identified propyllitically altered porphyritic rock and breccia zones with widespread anomalous copper geochemical values and highs up to 0.75% copper in rock. The Company interprets that the current level of erosion at Kendal is likely above a more prospective potassic alteration zone, suggesting that the main part of the copper system is preserved and could be open laterally and at depth.

2023 Work Program - Kendal

Kendal Lithogeochemical Vectoring Study

In the fourth quarter of 2023, the Company initiated a lithogeochemical vectoring study to better understand the porphyry copper potential within the project area and approximately 200 specimens of variably altered and randomly mineralized whole rocks were collected within the area of interest.

The sample suite was analysed for trace element lithogeochemistry using four-acid digestion, which ensures that key minerals are dissolved. High-quality mass spectrometry is utilized to ensure high precision at low detection limits. This analytical technique allows for the recognition of subtle trends in the data that indicate hotter and potentially more proximal fluid sources, or more simply, the identification of the core of a potential mineralizing system.

The enrichment or depletion of certain key elements provide a model of trace element behavior that reflect hotter and cooler temperatures within the vertical geochemical plume that develops above porphyry copper deposits. This enrichment or depletion forms the basis of the porphyry copper lithogeochemical footprint model of Halley et al. (2015). Interpretation of Kendal data suggests that the current level of erosion is potentially in close proximity to the most prospective potassic alteration zone, suggesting that the top of a copper porphyry system could be near surface.

Kendal Magnetics and Radiometrics

The 2023 field program also included a project wide 213-line-kilometre airborne magnetic and radiometric survey. Fathom Geophysics assisted the Company with modelling the magnetic data including the completion of 3D inversions.

Key geological, geochemical and geophysical features that are typically characteristic of mineralizing porphyry copper systems all overlap and are centered around a 600 x 600 metre region of numerous small, altered intrusions and dykes. This core area is surrounded by a nearly 2-km-wide zone of depressed magnetic responses, as seen in aeromagnetic data, outcrop and hand sample magnetic susceptibility measurements. This magnetic destruction zone potentially formed from hot hydrothermal fluids that destroyed the magnetite that was originally part of the mainly mafic volcanic host rocks.

The gamma-ray radiometric response outlines areas with very low thorium/potassium (Th/K) ratios that reflect intense hydrothermal alteration through the significant addition of potassium, in this case mostly from sericite-alteration of mafic volcanic rocks.

References

Halley, S; Dilles, JH; and Tosdal, RM; 2015. Footprints: Hydrothermal Alteration and Geochemical Dispersion Around Porphyry Copper Deposits. SEG Newsletter 100, 1,12-18. https://doi.org/10.5382/SEGnews.2015-100.fea

7.6 Ping (Fraser-Fort George Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Ping property, which it acquired by way of staking. At December 31, 2023, Ping was comprised of six mineral claims totalling approximately 5,408 hectares located in south central British Columbia approximately 50 km northwest of Prince George.

During the year ended December 31, 2023, the Company expended $1,060 in acquisition costs (2022: $8,404) and $459,686 in exploration costs (2022: $59,550) on Ping which included a drill program and geophysics. As at December 31, 2023, total acquisition and exploration expenditures recorded on Ping was $528,700 (2022: $67,954).

About the Ping Property

The Ping Project, situated in the central British Columbia, in the northern Cariboo region, covers a strategic land position of 5,408 hectares underlain by geology of the Quesnel Terrane. Regional geological mapping situates the Ping Project on the western boundary of the Takla volcanics, which hosts multiple copper porphyry systems in British Columbia. Previous exploration conducted on the property includes MMI (Mobile Metal Ion) soil geochemistry, an extensive aeromagnetic survey, and IP geophysics. The Company has compiled data from these surveys and has identified multiple targets that may represent copper porphyry intrusive rocks.

Within the Ping Project, the Ping South property comprises four contiguous mineral claims covering 3,821 hectares in north-central British Columbia, located approximately 50 km NW of the City of Prince George. Ping South lies within the Quesnellia Island Arc Terrane which hosts numerous deposits of alkalic porphyry gold-copper style mineralization, including Mount Polley and Mt. Milligan. The Company believes this underexplored area of the Quesnellia Terrane presents a significant opportunity to use advanced geoscience to identify new copper deposits masked by the till cover.

The Ping South area is within an elevated magnetic portion of a 25 km long northwest-trending positive magnetic feature. The feature is also partly correlative with the western margin of a 90 km by 15 km north-trending gravity high that is co-spatial with the western margin of a conductivity (VTEM) low. These coincident geophysical features share comparable characteristics to regional geophysical responses from several British Columbia copper deposits.

Access to the property is excellent via a well-maintained logging road network. Main haul roads run to the north and south of the Ping South claims.

2023 Work Program - Ping

During the year ended December 31, 2023, the Company engaged Fathom Geophysics ("Fathom") to compile and fully assess aeromagnetic data from the 2007 survey and IP data collected in 2008 and 2011 to identify exploration targets for further investigation. Magnetic Vector Inversion (MVI) modeling was completed on the Ping magnetic dataset by Fathom using the UBC MVI software. High-level intrusions and magnetite-rich alteration related to alkaline porphyry copper systems often form discrete magnetic anomalies. Fathom identified nine possible intrusion related targets at Ping South. In 2023, Fathom used magnetic inversion studies to better characterize and prioritize magnetic anomalies and reviewed historical IP for porphyry related chargeability and resistivity features.

In the fourth quarter of 2023, the Company conducted a first pass diamond drill program, completing four diamond drill holes totalling 665 m, and testing one of three interpreted alkalic copper-gold porphyry targets identified using a combination of Mobile Metal Ion (MMI) geochemistry, airborne magnetics and induced polarization geophysics. Two of the three targets were not tested due to a lack of available surface water for drilling.

Drill hole RCPG-23-003 ("003") was collared on the edge of an interpreted intrusion-related magnetic feature. 003 intersected 85 m of a newly recognized, coarse-grained, quartz-rich porphyritic intrusion from the base of overlying till cover to the end of the hole. The intrusion is highly deformed, foliated, and strongly lineated with local zones of more intense shearing and early deformed quartz veining. Broad zones (tens of metres) have been impacted by post-deformation sericite and pyrite alteration with associated quartz veining, indicating significant hydrothermal fluid flow. Geology and alteration encountered in 003 may suggest that it is on the outer margins of a potentially mineralized system. Assay results from 003 returned weakly anomalous Cu values moderately increasing down hole. By intersecting a new porphyry intrusion in this first pass program, the Company has confirmed the validity of its targeting process in this till covered area of Quesnellia Island Arc Terrane. The interpreted centre of the magnetic high associated with 003 is approximately 300 m to the ESE of the 003 collar location.

Drill holes RCPG-23-001, 004 and 005 all intersected an extensive, newly-discovered package of carbonaceous and calcareous marine sediments with quartz and quartz-carbonate veining. RCPG-23-004 and 005 rocks have been tightly folded and strongly deformed to form phyllite with graphitic horizons, carbonate veins and pyrite porphyroblasts. Quartz vein dominated zones were intersected in structurally-focused deformation zones with associated chlorite, iron carbonate and sericite alteration. These quartz veins and related rocks appear similar to gold-bearing sediment-hosted orogenic quartz veins that characterize many gold districts, including British Columbia's Barkerville district. A two metre wide quartz-feldspar porphyry felsic dyke in RCPG-23-004 cuts the deformed sediments and is pervasively sericite-altered with pyrite and at least two phases of quartz veins. Assay results from 001, 004, and 005 returned weakly anomalous zones with elevated Au, Ag and As. The graphitic horizons associated with zones of 1-3% pyrite porphyroblasts are interpreted to be the source of the highly chargeable IP feature targeted in this program.

7.7 Cooper (Cariboo Regional District, British Columbia)

The Company owns a 100% royalty-free interest in the Cooper property, which it acquired by way of staking. At December 31, 2023, Cooper was comprised of eight mineral claims totalling 5,445 hectares located in south central British Columbia, approximately 50 km northeast of the municipality of 100 Mile House.

During the year ended December 31, 2023, the Company expended $9,529 in acquisition costs (2022: $nil) and $11,726 in exploration costs (2022: $nil) on Cooper which included prospecting. As at December 31, 2023, total acquisition and exploration expenditures recorded on Cooper was $21,255 (2022: $nil).

About the Cooper Property

The Cooper Property is underlain by Early Jurassic granodiorite and granite of the Takomkane batholith. Previous work conducted in the southeastern area of the mineral claims, identified variably mineralized rocks with quartz-Kspar stockwork style veinlets and/or fracture fills that host anomalous chalcopyrite mineralization.

2023 Work Program - Cooper

Exploration activities during the year ended December 31, 2023 consisted of review and compilation of geological data associated with Cooper. In addition, the Company conducted an initial field prospecting and sampling program.

7.8 Scraper Springs (Elko County, Nevada)

The Company holds a 100% interest in the Scraper Springs property, which at December 31, 2023 was comprised of 190 mineral claims totalling approximately 1,589 hectares located in Elko County, Nevada. The property was originally acquired pursuant to a property purchase and sale agreement dated February 22, 2021 for consideration of $100,000 and is subject to a 2% NSR royalty. The Company has staked additional claims on Federal Bureau of Land Management ("BLM") land to expand the property.

Subsequent to year end, the Company entered into an Exploration Lease and Option to Purchase Agreement (the "Agreement") with an arm's length party effective February 27, 2024 (the "Effective Date") under which the Company is granted exclusive mineral and surface rights to certain private lands (the "Property") within the boundaries of the Scraper Springs property for a 30-year term with an option to purchase the Property for US$2,375,000, for consideration of US$10,000 paid upon execution of the letter of intent and the Agreement, annual lease payments ranging from US$5,000 to US$80,000 over the term of the lease, a surface disturbance fee, and a NSR royalty of 4% which the Company may purchase the first 2% for US$500,000 and the second 2% for US$1,000,000 at any time prior to commercial production.

During the year ended December 31, 2023, the Company expended $45,176 in acquisition costs (2022: $50,378) and $50,907 in exploration costs (2022: $38,979) on Scraper Springs which included geological review and permitting. As at December 31, 2023, total acquisition and exploration expenditures recorded on Scraper Springs was $474,411 (2022: $389,012).

About the Scraper Springs Property

The Scraper Springs Project is located in northern Nevada approximately 125 km from the cities of Winnemucca and Elko. The project occurs at the northernmost exposure of Paleozoic rocks in the north-central Nevada Carlin Trend in Elko County, Nevada. Scraper Springs is interpreted to host high temperature alteration minerology overlying a potential porphyry mineralizing system at depth. The approximate 4 km x 4 km alteration footprint surrounding the Scraper Springs target is comparable in scope to some of the world's largest copper deposits.

Previous operators at Scraper Springs mostly targeted shallow, high-grade gold systems or Carlin-related gold systems. A reinterpretation of the alteration and geology at the Project by Red Canyon and third-party consultants suggests high-temperature, low-pH clays and Eocene-aged intrusions at Scraper Springs could be associated with a deeper, large-scale copper system. In 2022, Red Canyon completed a deep IP survey at the Project, which outlined a significant, chargeable zone not previously drill tested. One historical drill hole approximately 1.5 km east of this new chargeability target intersected strong propylitic alteration and ended in anomalous copper mineralization with values up to 0.17% copper.

The Company views Scraper Springs as an important, high-profile copper project with excellent discovery potential. Red Canyon is currently reviewing options regarding conducting deep penetrating MT geophysics, or extending IP geophysical coverage prior to initial drill testing.

Additional information on the Scraper Springs project can be found in the NI 43-101 Technical Report dated September 26, 2023, as filed on SEDAR+ at www.sedarplus.ca.

2023 Work Program – Scraper Springs

Exploration expenditures during the year ended December 31, 2023 consisted of site visits, geological review and interpretation and permitting work.

7.9 Keg (Juab County, Utah)

The Company holds a 100% interest in the Keg property, which at December 31, 2023 was comprised of 63 mineral claims on BLM land and two Utah State leased sections totalling approximately 1,049 hectares located in Juab County, Utah. The property was acquired pursuant to a property purchase and sale agreement dated March 22, 2021 for consideration of $100,000 and is subject to a 2% NSR royalty.

During the year ended December 31, 2023, the Company expended $15,874 in acquisition costs (2022: $15,452) and $9,079 in exploration costs (2022: $117) on Keg which included geological review. As at December 31, 2023, total acquisition and exploration expenditures recorded on Keg was $164,390 (2022: $143,179).

About the Keg Property

The Keg Property is located in Juab County, 100 kilometres south of Salt Lake City, in central Utah's Great Basin. The property is considered to have potential for porphyry copper and related skarn mineralization. Previous work includes geological mapping and sampling and airborne and surface geophysical surveys.

2023 Work Program – Keg

Exploration expenditures during the year ended December 31, 2023 consist of a site visit and geological review and interpretation.

7.10 Qualified Person

The scientific and technical information contained in this document has been reviewed and approved by Wendell Zerb, P. Geol, a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

8. SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed fiscal quarters as presented in the unaudited condensed interim consolidated financial statements. The financial data provided is prepared in accordance with IFRS Accounting Standards ("IFRS") and is presented in Canadian dollars.

	Q4 Dec 31, 2023 $	Q3 Sep 30, 2023 $	Q2 Jun 30, 2023 $	Q1 Mar 31, 2023 $
Total revenue	-	-	-	-
Net loss for the period	(19,454)	(39,618)	(113,182)	(65,250)
Comprehensive loss for the period	(16,926)	(41,166)	(111,859)	(65,215)
Net loss per share, basic	(0.001)	(0.001)	(0.003)	(0.003)
Net loss per share, diluted	(0.001)	(0.001)	(0.003)	(0.003)

	Q4 Dec 31, 2022 $	Q3 Sep 30, 2022 $	Q2 Jun 30, 2022 $	Q1 Mar 31, 2022 $
Total revenue	-	-	-	-
Net loss for the period	(134,834)	(2,045)	(42,497)	(79,503)
Comprehensive loss for the period	(135,084)	(3,819)	(43,628)	(78,955)
Net loss per share, basic	(0.005)	(0.000)	(0.002)	(0.003)
Net loss per share, diluted	(0.005)	(0.000)	(0.002)	(0.003)

Because the Company is in the exploration stage, it did not earn any revenue.

Net losses of $113,182 for 2023 Q2 and $134,834 for 2022 Q4 are wider than the other periods, and the 2022 Q3 loss of $2,045 is narrower. The factors that have caused variations over the quarters are explained as follows.

Accounting and audit fees in the fourth quarter of 2022 include a provision of $50,205 for preparation of the Company's year end audit and income tax returns.

Share-based payments expense for the grant of incentive stock options were $37,307 for the second quarter of 2023 and $30,482 for the fourth quarter of 2022.

A foreign exchange gain of $37,282 was recorded during the third quarter of 2022. Foreign exchange gains and losses arise from transactions denominated in U.S. dollars, the functional currency of the Company's subsidiary and are dependent on fluctuation of exchange rates.

9. LIQUIDITY

The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes, copper price changes, and economic upturns or downturns that affect the market price of the Company's securities for the purposes of raising financing. World economic and geopolitical events and resulting inflation has created uncertainty in the equity and commodity markets, which makes it a challenge to raise financing. Management believes that this condition will continue over the next twelve months.

Cash was $968,620 at December 31, 2023 (2022: $269,396). Restricted cash was $20,763 at December 31, 2023 (2022: $20,210) and consists of a savings account held at a financial institution as security against a company credit card.

Amounts and other receivable consist of GST input tax credits and office expense recoveries. Prepaid expenses were recorded for ordinary operating expenses.

Current liabilities total $273,789 at December 31, 2023 compared to $229,970 at December 31, 2022. Current liabilities consist of trade payables and flow-through share premium of $210,581 that will be settled when the Company incurs eligible CEE.

Working capital surplus was $781,535 at December 31, 2023 compared to a surplus of $75,078 at December 31, 2022.

The Company has no debt or debt arrangements.

The Company has a commitment to incur $596,611 in qualifying exploration expenditures by December 31, 2024 in order to meet its FT financing obligations to shareholders. The Company anticipates that it will be required to pay Part XII.6 tax on the portions of unspent flow-through commitment subsequent to February 29, 2024 until the expenditures have been incurred. The Company plans to use its FT funds to drill its Peak, Ping or Kendal projects in 2024 to satisfy its FT commitments.

Based on the consolidated financial condition as at December 31, 2023, the Company anticipates raising additional capital in 2024 in order to meet its financial obligations as they become due in the current fiscal year.

10. CAPITAL RESOURCES

The Company does not have any commitments for capital expenditures. The Company does not have any capital resources in the form of debt, equity and any other financing arrangements.

11. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

12. TRANSACTIONS BETWEEN RELATED PARTIES

12.1 Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company. Key management personnel compensation is comprised of the following:

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Short-term employee benefits and director fees	209,000	159,600
Share-based payments	22,384	-
	231,384	159,600

The Company has entered into a Management Agreement with Wendell Zerb, the Chairman, President and Chief Executive Officer (the "CEO") effective January 1, 2022 for no fixed term. As compensation for the services to be provided, the CEO will receive a monthly fee of $10,800 with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause within twelve months of the effective date; (ii) six months of compensation plus an additional one month for each completed year of service up to a maximum of twelve months in the event the Company terminates the Agreement without Cause after twelve months of the effective date; (iii) twelve times the monthly compensation in the event the CEO resigns for Good Cause during the first two years of the Agreement; (iv) eighteen times the monthly compensation if the CEO resigns for Good Cause during the third or any subsequent year of the Agreement; and (v) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CEO resigns with or without Good Cause, within twelve months following a change of control of the Company. In the event the CEO participates in activities that lead to (i) the sale of any of the Company's exploration properties or the creation of a new or spin-off company, he will be awarded a Special Bonus in the amount of 0.5% of the sale of any of the Company's exploration properties or the creation of a new or spin-off company; and (ii) a corporate transaction involving a sale of the Company or more than 50% of the Company's issued and outstanding common shares, he will be awarded a Special Bonus of 0.2% of the consideration up to $50 million of consideration received, and 0.1% of additional value beyond that $50 million level. During the year ended December 31, 2023, the Company recorded $129,600 (2022: $129,600) in fees payable to the CEO, of which $83,160 (2022: $93,312) was capitalized to Exploration and Evaluation Assets in the Consolidated Statement of Financial Position, $nil (2022: $13,608) was expensed to general exploration and $46,440 (2022: $22,680) was expensed to Management in the Consolidated Statement of Loss.

The Company has entered into an Employment Agreement with Sandra Wong, the Chief Financial Officer and Corporate Secretary (the "CFO") effective June 1, 2023 for no fixed term. As compensation for the services to be provided, the CFO will receive a monthly salary of $6,700 with provisions for severance of (i) three months of compensation in the event the Company terminates the Agreement without Cause; (ii) three months of compensation in the event the CFO resigns for Good Cause; and (iii) eighteen months of compensation in the event the Company terminates the Agreement with or without Cause, or the CFO resigns with or without Good Cause, within twelve months following a change of control of the Company. This Employment Agreement supersedes an Employment Agreement dated January 1, 2022 for the CFO to provide services for compensation of a monthly salary of $2,500. During the year ended December 31, 2023, the Company recorded $59,400 (2022: $30,000) in fees payable to the CFO, of which $29,700 (2022: $15,000) was expensed to Management and $29,700 (2022: $15,000) was expensed to Salaries and Benefits in the Consolidated Statement of Loss.

The Company has approved the payment of a director's fee of $1,000 per month to each of Lauren Roberts, Caleb Stroup and Alistair Waddell and $2,000 per month to Cecil R. Bond, the chair of the audit committee, effective September 1, 2023. During the year ended December 31, 2023, the Company recorded $20,000 (2022: $nil) in director fees which were expensed to Management in the Consolidated Statement of Loss.

Wendell Zerb, Caleb Stroup and Alistair Waddell are officers and/or directors of the Company and are also directors and shareholders of NewQuest Capital Inc., which holds a 25.52% interest in the Company. Sandra Wong is CFO and Corporate Secretary of the Company and is also CFO, Corporate Secretary and a shareholder of NewQuest.

During the year ended December 31, 2022, the Company recorded $30,000 in consulting fees payable to NewQuest pursuant to a Contract for Services for a six month term from January 1, 2022 to June 30, 2022 for compensation of $5,000 per month.

12.2 Private Placements

In connection with the private placement that closed on January 14, 2022, Waddell Consulting Inc., a company owned by Alistair Waddell, a director of the Company, purchased a total of 50,000 common shares for total proceeds of $10,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on March 31, 2023, Wendell Zerb, the Chairman, President, CEO and a director of the Company, purchased a total of 100,000 Units for total proceeds of $22,000, and Lauren Roberts, a director of the Company, purchased a total of 200,000 Units for total proceeds of $44,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

In connection with the private placement that closed on April 25, 2023, Mr. Zerb purchased a total of 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related party in this transaction are identical to those offered to non-related common shareholders.

In connection with the private placements that closed on May 5, 2023, NewQuest purchased a total of 80,000 Units for total proceeds of $17,600 and Cecil R. Bond, a director of the Company, purchased 100,000 FT Units for total proceeds of $33,000. The terms and conditions offered to the related parties in these transactions are identical to those offered to non-related common shareholders.

12.3 Due to Related Parties

As at December 31, 2023, the Company has $1,491 (December 31, 2022: $130,218) due to related parties which consists of amounts owed to a director and a significant shareholders for salaries and expense reimbursements, which is due on demand, unsecured and is non-interest bearing. The amounts due to related parties are payable to the following:

	December 31, 2023 $	**December 31, 2022 $**
Wendell Zerb, President, Chairman, CEO, Director	149	129,776
NewQuest, significant shareholder and common directors	1,342	442
	1,491	130,218

13. FOURTH QUARTER

See Sections 3.3 and 3.4 above.

14. PROPOSED TRANSACTIONS

The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions other than disclosed in this Report. Other than disclosed in this Report, the Company does not have any proposed transactions.

15. COMMITMENTS, EXPECTED OR UNEXPECTED EVENTS, OR UNCERTAINTIES

Other than disclosed in this Report, the Company does not have any commitments, expected or unexpected events, or uncertainties.

The Company has a commitment to incur $596,611 in qualifying exploration expenditures by December 31, 2024 in order to meet its flow-through financing obligations to shareholders. The Company anticipates that it will be required to pay Part XII.6 tax on the portions of unspent FT commitment subsequent to February 29, 2024 until the expenditures have been incurred. The Company plans to use its FT funds to drill its Peak, Ping or Kendal projects in 2024 to satisfy its FT commitments.

16. SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

Other than disclosed in this Report, there are no significant changes from previous disclosure.

In the Company's Non-Offering Prospectus dated October 12, 2023 (the "Prospectus"), the Company disclosed an expected use of exploration funds as follows:

Use of funds available	**Amount**
Exploration of the Peak Property:	
Phase 1 Work Program	$287,100
Phase 2 Work Program depending on results of Phase 1	$660,000
Exploration of the Company's other properties	$150,000
Total allocation for exploration	**$1,097,100**

The Company plans to execute the Phase 1 Work Program on the Peak property with a budget of $300,000 in mid-2024. If Management determines that the results of the initial drill program warrant immediate follow-up, then the Company will prioritize an appropriate Phase 2 Work Program. However, in the interim, the Company has strategically reallocated the original Phase 2 budget of $660,000 to other projects in order to advance immediately actionable exploration programs. The Company completed a Phase I drill program on the Ping property in the fourth quarter of 2023 at a cost of $388,000. The Company also completed a lithogeochemical vectoring study and prospecting at Kendal in the fourth quarter of 2023 with a plan to drill in 2024, subject to access to adequate capital.

17. CHANGES IN ACCOUNTING POLICES INCLUDING INITIAL ADOPTION

A number of new or amended accounting standards were scheduled for mandatory adoption on or after January 1, 2024. The Company has not early adopted these new standards in preparing the Financial

Statements. These new standards are either not applicable or are not expected to have a material impact on the Company's Financial Statements.

18. KNOWN TRENDS, RISKS OR DEMANDS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of cash represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash with chartered Canadian financial institutions. The Company owns restricted cash of $20,763 which consists of a savings account held by a financial institution as security against a Company credit card. The Company also owns cash reclamation bond deposits of $120,000 held by the Province of British Columbia. The Company believes that the credit risk of default for these assets is low. As at December 31, 2023, the Company has no financial assets that are past due or impaired due to credit risk defaults. The Company's management of credit risk has not changed during the year ended December 31, 2023, from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payables. The Company has a working capital surplus of $781,535 as at December 31, 2023 and can meet its current obligations. The Company handles its liquidity risk through the management of its capital structure as described in Note 13 of the Financial Statements. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no variable interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in copper and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

- Currency Risk

  Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. A portion of the Company's exploration property expenditures will be incurred in United States dollars.

Risks and Uncertainties

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

The Company has Limited History of Operations

The Company has limited history of operations and is in the early stages of exploration on its mining properties. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High-Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

The Company is Subject to Substantial Environmental Requirements Which Could Cause a Restriction or Suspension of our Operations

The current and anticipated future operations and exploration activities of the Company on its projects in Canada and the United States require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, State and local laws and regulations governing various elements of the extractive industry. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas.

As the Company is presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require Inflection to provide remedial actions to correct the negative effects. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Conflicts of Interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date, the Company has not experienced any material losses related to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attacks, damage or unauthorized access remain a priority. As the threat landscape is ever-changing, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Climate Change

The Company is exposed to physical risks related to climate change including extreme weather events such as floods, longer wet or dry seasons, increased temperatures and drought, increased precipitation and snowfall and wildfires. Such events can temporarily slow or halt operations due to physical damage of assets, shortage of resources and route disruptions that may limit the transportation of materials and personnel. Additionally, regulations and taxes developed to regulate the transition to a low-carbon economy and energy efficiency may result in increased operation costs including environmental monitoring, increased reporting and other costs to comply with such regulations.

19. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at April 25, 2024, the Company has 34,937,459 common shares issued and outstanding.

As at April 25, 2024, the Company has 2,775,000 stock options outstanding.

As at April 25, 2024, the Company has 4,563,200 warrants outstanding.

20. BOARD OF DIRECTORS AND OFFICERS

The directors of the Company are Cecil R. Bond, Lauren Roberts, Caleb Stroup, Alistair Waddell and Wendell Zerb.

The officers of the Company are Wendell Zerb (Chairman, President and Chief Executive Officer and Sandra Wong (Chief Financial Officer and Corporate Secretary).

21. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

This Management's Discussion and Analysis contains "forward-looking statements, within the meaning of applicable Canadian Securities legislation", that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and copper, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks relating to the integration of acquisitions, risk relating to international operations, the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and copper; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; fluctuations in metal prices; as well as those risk factors discussed or referred to elsewhere in this Management's Discussion and Analysis for the year ended December 31, 2023. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

22. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure Controls and Procedures Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CSE-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a CSE issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RED CANYON RESOURCES LTD.

Wendell Zerb

Chairman, President and Chief Executive Officer