Tocvan Ventures Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended November 30, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed interim consolidated financial statements of Tocvan Ventures Corp. (the "Company") have been prepared by management and approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

January 29, 2025

TOCVAN VENTURES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	Note	November 30, 2024	August 31, 2024
ASSETS			
CURRENT		**$**	**$**
Cash		**60,575**	101,639
Receivables	*5*	**83,346**	60,785
Prepaid expenses	*6*	**41,271**	42,430
Financial assets	*4*	**486,688**	678,395
TOTAL CURRENT ASSETS		**671,880**	883,249
Financial assets – *non-current*	*4*	**205,554**	452,339
Exploration and evaluation assets	*3*	**9,275,670**	8,834,758
TOTAL ASSETS		**10,153,104**	10,170,346
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Accounts payable and accrued liabilities	*7*	**895,380**	879,269
Due to related parties	*10*	**666,207**	603,459
Debenture payable	*4,9*	**860,324**	775,205
TOTAL CURRENT LIABILITIES		**2,421,911**	2,257,933
SHAREHOLDERS' EQUITY			
Share capital	*8*	**14,018,508**	13,990,750
Obligation to issue shares	*3,8,9*	**289,329**	–
Reserves	*4,8*	**2,363,145**	2,360,247
Deficit		**(8,939,789)**	(8,438,584)
TOTAL SHAREHOLDERS' EQUITY		**7,731,193**	7,912,413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**10,153,104**	10,170,346

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

"Brody Sutherland" — Director

"Greg Ball" — Director

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Note	**November 30, 2024**	**November 30, 2023** *(As Restated, Note 13)*
EXPENSES		**$**	**$**
Advertising and promotion		**31,615**	54,178
Audit and accounting		**21,616**	2,061
Consulting	*10*	**109,487**	112,500
Legal		**1,500**	16,821
Management fees	*10*	**12,000**	12,000
Meals and entertainment		–	959
Office and miscellaneous		**10,224**	14,524
Regulatory fees		**14,389**	15,367
Share-based compensation	*8,10*	**2,898**	254,635
Travel		**6,972**	3,521
Operating expenses		**(210,701)**	(486,566)
Other gain (loss)			
Foreign exchange gain (loss)		**45,705**	(2,505)
Interest expense		**(3,563)**	(6,664)
Realized gain (loss) on financial assets	*4*	**62,960**	(221,532)
Unrealized loss on financial assets	*4*	**(299,720)**	(57,736)
Unrealized gain (loss) on debenture payable	*9*	**(95,886)**	466,967
Realized loss on debenture payable	*9*	–	(320,250)
Net loss and comprehensive loss for the period		**(501,205)**	(628,286)
Loss per share, basic and diluted		**(0.01)**	(0.02)
Weighted average number of shares outstanding – basic and diluted		**51,502,783**	40,057,256

TOCVAN VENTURES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian dollars)

	Share Capital					
	Number of Shares	Amount	Obligation to Issue Shares	Reserves	Deficit	Total Equity
		$	$	$	$	$
Balance at August 31, 2023 (*As Restated – Note 13)*	**39,985,108**	**10,378,754**	–	**1,945,929**	**(7,267,121)**	**5,057,562**
Shares issued on conversion of debenture payable	854,000	700,280	–	–	–	700,280
Shares to be issued for interest	–	–	2,398	–	–	2,398
Units issued for cash	820,000	369,000	–	–	–	369,000
Share issuance costs	–	(52,773)	–	12,874	–	(39,899)
Share-based compensation	–	–	–	254,635	–	254,635
Loss for the period	–	–	–	–	(628,286)	(628,286)
Balance at November 30, 2023 (*As Restated, Note 13)*	**41,659,108**	**11,395,261**	**2,398**	**2,213,438**	**(7,895,407)**	**5,715,690**

		$	$	$	$	$
Balance at August 31, 2024	**51,472,019**	**13,990,750**	–	**2,360,247**	**(8,438,584)**	**7,912,413**
Shares issued on exercise of finders' warrants	67,095	27,758	–	–	–	27,758
Shares to be issued for interest	–	–	14,329	–	–	14,329
Shares to be issued for exploration and evaluation assets	–	–	260,000	–	–	260,000
Subscription receipts	–	–	15,000	–	–	15,000
Share-based compensation	–	–	–	2,898	–	2,898
Loss for the period	–	–	–	–	(501,205)	(501,205)
Balance at November 30, 2024	**51,539,114**	**14,018,508**	**289,329**	**2,363,145**	**(8,939,789)**	**7,731,193**

TOCVAN VENTURES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian dollars)

	November 30, 2024	November 30, 2023 *(As Restated, Note 13)*
CASH FLOWS USED IN OPERATING ACTIVITIES	**$**	**$**
Net loss	**(501,205)**	(628,286)
Items not involving cash		
Interest expense	**3,563**	6,664
Foreign exchange	**17,470**	–
Share-based compensation	**2,898**	254,635
Unrealized loss on financial assets	**299,720**	57,736
Realized loss (gain) on financial assets	**(62,960)**	221,532
Unrealized loss (gain) on convertible debenture	**95,886**	(466,967)
Realized loss on convertible debenture	–	320,250
Changes in non-cash working capital items		
Receivables	**(5,204)**	17,064
Due to related parties	**62,748**	(61,022)
Prepaid expenses	**1,159**	33,665
Accounts payable and accrued liabilities	**(66,693)**	(53,437)
Net cash used in operating activities	**(152,618)**	**(298,166)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscription receipts	**15,000**	329,100
Proceeds from warrants exercised	**27,758**	–
Receipts from settlement of financial assets	**184,375**	396,567
Net cash provided by financing activities	**227,133**	**725,667**
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	**(115,042)**	(85,371)
Net cash used in investing activities	**(115,042)**	**(85,371)**
Change in cash	**(40,527)**	342,130
Effect of exchange rate changes on cash	**(537)**	–
Cash, beginning	**101,639**	20,825
Cash, ending	**60,575**	**362,955**

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS – *continued*

(Unaudited - Expressed in Canadian dollars)

SUPPLEMENTAL CASHFLOW INFORMATION	**November 30, 2024**	**November 30, 2023** *(As Restated, Note 13)*
Exploration and Evaluation Assets included in:	**$**	**$**
Accounts payable	**82,803**	341,175
Due to related party	**93,576**	67,365
Reconciliation of cash by currency type (in Canadian dollars equivalent):		
In CAD	**25,481**	146,340
In USD	**32,647**	215,910
In MXN	**2,447**	705
Cash, ending	**60,575**	362,955
NON-CASH TRANSACTIONS		
Units issued for financial assets	**–**	348,079
Shares issued for exploration and evaluation assets	**–**	650,000
Shares issued for interest	**–**	28,090
Shares to be issued for interest	**14,329**	–
Shares to be issued for exploration property	**260,000**	–

1. NATURE AND CONTINUANCE OF OPERATIONS

Tocvan Ventures Corp. (the "Company") was incorporated on May 23, 2018, under the Alberta Business Corporations Act. The Company's shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "TOC" and on OTC QB under the symbol "TCVNF".

The Company's head office address is Suite 820 – 1130 West Pender St., Vancouver, British Columbia V6E 4A4, Canada. The registered and records office address is Suite 1150, 707 - 7th Avenue S.W., Calgary, Alberta T2P 3H6, Canada.

On September 15, 2020, the Company incorporated, under the laws of Mexico, a wholly-owned subsidiary, Burgencio S.A. de C.V. ("Burgencio"). Burgencio's office address is Blvd. Morelos No, 639, Col. Bachoco, C.P. 83148, Hermosillo, Sonora, Mexico.

The Company is engaged in the acquisition, exploration and development of mineral properties. At November 30, 2024, the Company had not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs 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, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These condensed interim consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. At November 30, 2024, the Company had an accumulated deficit of $8,939,789 and is expected to incur further losses. The Company will require additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

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. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements. These adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed interim consolidated financial statements, prepared in conformity with accounting policies consistent with IAS 34, follow the same accounting principles and methods of application as the most recent audited consolidated financial statements. Since the condensed interim consolidated financial statements do not include all disclosures required by the IFRS for annual financial statements, they should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2024.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on January 29, 2025.

Basis of preparation

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

The condensed interim consolidated financial statements of the Company are presented in Canadian dollars, unless otherwise stated, which is the functional currency of the Company and its subsidiary, Burgencio. The functional currency is determined to be the currency of the primary economic environment in which the Company and Burgencio operate.

Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Burgencio. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated. Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in-line with those used by the Company.

Use of estimates, assumptions, and judgments

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the reporting year. Significant areas requiring the use of management estimates relate to provisions for restoration and environmental obligations and contingent liabilities, share-based compensation, deferred taxes, and the valuation and remeasurement of the financing transactions.

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's condensed interim consolidated financial statements include:

1) the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
2) the determination that the Company will continue as a going concern for the next years;
3) the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets; and
4) classification of financial instruments issued in the financing transactions as liabilities or equity.

(Unaudited - Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets

Title to exploration and evaluation ("E&E") asset interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Period ended November 30, 2024	Pilar	El Picacho	Total
Acquisition costs	$	$	$
Balance, August 31, 2024	**3,714,454**	**642,735**	**4,357,189**
Property taxes accrued	18,423	–	18,423
Shares to be issued	260,000	–	260,000
Balance, November 30, 2024	**3,992,877**	**642,735**	**4,635,612**
Deferred exploration expenditures			
Balance, August 31, 2024	**3,852,762**	**624,807**	**4,477,569**
Geologist fees and assays	161,573	916	162,489
Balance, November 30, 2024	4,014,335	625,723	4,640,058
Total E&E assets, November 30, 2024	**8,007,212**	**1,268,458**	**9,275,670**

Year ended August 31, 2024	Pilar	El Picacho	Total
Acquisition costs	$	$	$
Balance, August 31, 2023	**2,640,000**	**196,789**	**2,836,789**
Cash	468,574	106,362	574,936
Option payments accrued	275,880	339,584	615,464
Shares issued	330,000	–	330,000
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Deferred exploration expenditures			
Balance, August 31, 2023	**2,965,862**	**523,494**	**3,489,356**
Geologist fees and assays	886,900	61,884	948,784
Other exploration expenses	–	39,429	39,429
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Total E&E assets, August 31, 2024	**7,567,216**	**1,267,542**	**8,834,758**

(Unaudited - Expressed in Canadian dollars)

Pilar Project, Sonora, Mexico

On September 22, 2019, the Company signed an option agreement (the "Pilar Agreement") to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project") from Colibri Resource Corp. ("Colibri"). The agreement was amended on August 31, 2021, and the updated conditions are as follows:

	Cash payment	Exploration work	Shares
September 22, 2019	$125,000 (paid)	$Nil	2,000,000 (issued)
September 21, 2020	$125,000 (paid)	$175,000 (completed)	1,000,000 (issued)
September 21, 2021	$25,000 (paid)	$425,000 (completed)	1,000,000 (issued)
September 21, 2022	$75,000 (paid)	$400,000 (completed)	1,000,000 (issued)
September 21, 2023	$75,000 (paid)	$500,000 (completed)	–
September 21, 2024	–	$500,000 (completed)	–
TOTAL	**$425,000**	**$2,000,000**	**5,000,000**

On September 18, 2023, the Company submitted an exercise notice to Colibri to confirm its 51% ownership of the Pilar gold-silver project as the Company fulfilled its initial commitment under the covenants of the Pilar Agreement. The Company was granted an option to acquire the remaining 49% interest in the Pilar Project within six months after the Company acquired 51% ownership or to establish a joint venture agreement with Colibri. The option to acquire the additional interest required a $2,000,000 cash payment and granting Colibri a 2% net smelter return royalty ("NSR"), 1% of which can be repurchased for an additional cash payment of $1,000,000.

The Company elected to enter into a joint venture or to form a new corporate entity with Colibri for the development of the remaining optioned property under the Pilar Agreement. Since the optioned property represents only 4.6% of the total land area controlled and wholly-owned by Tocvan, the management of the Company decided that the funds required to acquire the remaining 49% interest in the Pilar Project would be better used for future exploration activities. As of the November 30, 2024, and the approval of these condensed interim consolidated financial statements, the Company continues negotiating a definitive joint venture agreement with Colibri.

On December 19, 2023, in accordance with the anti-dilution provision included in the Pilar Agreement, the Company issued to Colibri 525,000 common shares valued at $210,000, which was included in acquisition costs. The anti-dilution clause ended on September 22, 2024.

Pilar Landholding Expansion

On October 17, 2023, the Company entered into a definitive agreement (the "SV Agreement") with Suaqui Verde Properties ("SVP"), a Mexican entity, for an option to acquire a 100% interest in certain mining concessions consisting of 2,173 hectare contiguous land immediately adjacent and north of Pilar Project. Under the terms of the SV Agreement, the Company agreed to the following commitments:

(Unaudited - Expressed in Canadian dollars)

	Cash payment	Exploration work	Shares
On closing	US$250,000 (paid)	US$Nil	Nil
Six months after closing	US$200,000 (accrued)	US$Nil	250,000(issued)
1st anniversary	US$Nil	US$100,000 (completed)	500,000(1)
2nd anniversary	US$1,050,000	US$150,000	500,000
3rd anniversary	US$1,150,000	US$250,000	750,000
4th anniversary	US$650,000	US$250,000	250,000
5th anniversary	US$700,000	US$250,000	250,000
TOTAL	**US$4,000,000**	**US$1,000,000**	**2,500,000**

(1) *These shares were issued on December 27, 2024.*

SVP retains a 2% NSR. After the initial five-year period, the Company has the right to elect to extend the Agreement by another ten years by starting advance royalty payments or purchase full title ownership through an additional payment of US$500,000.

On December 1, 2023, and December 18, 2023, the Company paid a total of $341,175 (US$250,000) in cash to Cuprum Mining Corporation for SVP in relation to the cash commitments under the SV Agreement.

On August 8, 2024, the Company issued 250,000 common shares valued at $120,000, representing the six-month option payment according to the SV Agreement. The six-month cash option payment remained accrued but unpaid as at November 30, 2024, as the payment was extended to February 15, 2025.

As at November 30, 2024, the Company accrued an additional $18,423 for property surface taxes associated with the Pilar Project's expansion claims and recorded an obligation to issue 500,000 common shares valued at $260,000 pursuant to its first anniversary commitment. These shares were issued on December 27, 2024.

El Picacho Project, Sonora, Mexico

On June 7, 2021, the Company signed a letter of commitment (the "Millrock Agreement") to purchase El Picacho Project ("El Picacho Project") from Recursos Millrock S. de R.L. de C.V. ("Millrock"). On signing of the letter of commitment, the Company made an initial payment of $94,196 (US$78,000).

On September 15, 2021, the Company entered into an assignment agreement (the "Suarez Assignment") with Millrock for an initial five-year option to acquire El Picacho property from the property owners, Suarez Brothers, within the Caborca Orogenic Gold Belt in Sonora, Mexico. El Picacho Project consists of 12 mining concessions totaling 2,395 hectares.

To acquire 100% interest in El Picacho Project, the Company is required to pay Suarez Brothers US$1,985,600 and an additional payment of US$60,000 will be required to gain surface rights to use the Picacho Ranch. Both payments are to be paid in a series of instalments ending on June 11, 2026. Millrock is to retain a 2% NSR with the option for the Company to purchase back 1% for US$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty ("AAMR") of US$25,000 will be paid to Millrock, doubling each year until the start of production. AAMR payments will be subtracted from royalty payments on commencement of production.

(Unaudited - Expressed in Canadian dollars)

A summary of the commitments under the Suarez Assignment to acquire El Picacho Project and surface rights is as follows:

	Option payment	Surface rights payment
Closing	US$5,000 (paid by Millrock)	US$6,000 (paid by Millrock)
Six months after closing	US$Nil	US$6,000 (paid)
1st anniversary	US$21,400 (paid)	US$6,000 (paid)
Six months after 1st anniversary	US$21,400 (paid)	US$6,000 (paid)
2nd anniversary	US$21,400 (paid)	US$6,000 (paid)
Six months after 2nd anniversary	US$21,400 (paid)	US$6,000 (paid)
3rd anniversary (*extended to February 15, 2025*)	US$69,265 (paid) US$180,735 (accrued) (1)	US$6,000 (paid)
Six months after 3rd anniversary	US$Nil	US$6,000
4th anniversary	US$650,000	US$6,000
Six months after 4th anniversary	US$Nil	US$6,000
5th anniversary	US$1,000,000	US$6,000
TOTAL	**US$1,990,600**	**US$66,000**

(1) *The Company paid US$69,265 towards the payment required on the third anniversary of the option agreement; the remaining US$180,735 payment under the third anniversary of the option agreement was extended until February 15, 2025.*

As at November 30, 2024, the Company recorded $253,209 (US$180,735) payable to Suarez Brothers for the third anniversary of the option agreement to acquire 100% interest in El Picacho Project.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The continuity table below summarizes, as at November 30, 2024 and August 31, 2024, the financial assets associated with Sorbie Bornholm LP ("Sorbie") equity swap agreements dated June 28, 2022, April 5, 2023, and April 24, 2024:

Financial assets at fair value through profit and loss	November 30, 2024	August 31, 2024
	$	$
Balance, beginning of the period	1,130,734	1,355,240
Addition	–	1,116,398
Cash settlement payments	(184,375)	(1,336,723)
Change in cash receivable subsequent to the end of the period	(17,357)	74,802
Realized gain (loss) on financial assets	62,960	(828,685)
Unrealized gain (loss) from change in fair value of financial assets	(299,720)	749,702
Balance, end of the period	**692,242**	**1,130,734**

June 28, 2022, Equity Swap Agreement with Sorbie

On June 28, 2022, the Company entered into a financing transaction ("Sorbie 1") with Sorbie whereby the Company agreed to issue 3,200,000 units (the "Sorbie 1 Unit") and 2,809 convertible notes with a face value of $1,000 per note (the "Sorbie Notes") in exchange for 24 monthly cash payments (the "Sorbie 1 Settlements") that were measured against a benchmark price of $1.10 per share (the "Sorbie 1 Benchmark") with a set number of shares totaling 5,125,000 at Benchmark (the "Sorbie 1 Transaction") (Note 9).

The actual cash paid out under each Sorbie 1 Settlement was determined based on a volume-weighted average share price ("VWAP") for 20 trading days prior to the Sorbie 1 Settlements. If the measured share price was above the Sorbie 1 Benchmark for the Sorbie 1 Settlements, the Company received more than 100% of the expected Sorbie 1 Settlements. However, if the share price was below the Sorbie 1 Benchmark, the Company received less than 100% of the Sorbie 1 Settlements.

(Unaudited - Expressed in Canadian dollars)

Each Sorbie 1 Unit consisted of one common share and one warrant entitling Sorbie to purchase one additional common share at $1.20 until June 28, 2025. The Sorbie Notes mature on June 28, 2025, can be converted, at the discretion of Sorbie, into 1,220 common shares per Sorbie Note. The Sorbie Notes pay non-compounding interest at 1% per year, which is payable annually in common shares. In connection with the Sorbie Notes, the Company issued 1,713,490 detachable warrants that entitle Sorbie to purchase up to 1,713,490 additional common shares at $1.30 per share until June 28, 2025, and an additional 1,713,490 detachable warrants that entitle Sorbie to purchase up to an additional 1,713,490 common shares at $1.40 per share until June 28, 2025 (Note 9).

To determine the fair value of the Sorbie 1 Settlements the Company used Monte Carlo Simulation. Based on the terms of the Sorbie 1 Settlements, the Company calculated the expected future VWAP share price at each Sorbie 1 Settlement, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows. The Company used the following assumptions to determine the initial value of the Sorbie 1 Settlements:

As at	**June 28, 2022**
Sorbie 1 Benchmark	$1.10
Total number of Sorbie 1 Settlements	24
Share price on the valuation date	$0.82
Volatility	90.00%
Risk-free rate	3.16%
Fair value of expected Sorbie 1 Settlements	**$3,828,756**

To determine the allocation of the fair value of the Sorbie 1 Settlements, the Company analyzed Sorbie 1 Units and Sorbie Notes under guidance available under IFRS 9 *Financial Instruments* and IFRS 32 *Financial Instruments: Presentation*. IFRS requires that the terms of a convertible instrument are analyzed and each component separately accounted for according to the definitions of financial liability and equity. Based on the analysis the Company performed, it was determined that Sorbie Notes represent a derivative liability and, therefore, valued at fair value with subsequent remeasurement and change in fair value recorded through profit or loss. The warrants issued as part of the Sorbie Notes are detachable and are exercised at a fixed price for a fixed number of shares and, therefore, classified as equity.

Sorbie 1 Units were classified as equity and the warrants were valued based on the residual value of the Sorbie 1 Settlements reduced by the value of Sorbie Notes. The expected cash flows from Sorbie 1 Settlements were allocated to each component on a prorated basis as follows:

Securities Issued	**Quantity**	**Initial Value**	**Allocation**	**Prorated Value**
Convertible debenture ($1,000)	2,809	$ 2,810,123	Fair Value	$ 2,810,123
Warrants	3,426,980	1,460,055	26.49%	269,860
Units	3,200,000	4,051,173	73.51%	748,773
Total		**$ 8,321,352**		**$ 3,828,756**

(Unaudited - Expressed in Canadian dollars)

The initial value of the Warrants issued as part of Sorbie Notes was estimated using the Black Scholes Pricing Model based on the following assumptions:

Share price	$0.82
Exercise price	$1.20 & $1.30
Exercise term	36 months
Risk free rate	3.2%
Volatility	97.5%

During the three months ended November 30, 2024, the Company did not receive any cash from Sorbie 1 Settlements, as Sorbie had fulfilled all of its obligations under the Sorbie 1 Transaction by June 28, 2024 (November 30, 2023 – $275,088). The difference between each Sorbie 1 Settlement's fair value as of the initial recognition on June 28, 2022, and the actual Sorbie 1 Settlement received was recorded as a realized gain or loss on financial assets. For the three months ended November 30, 2024, the Company did not incur any gain or loss on settlement of financial assets associated with Sorbie 1 Settlement (November 30, 2023 – $174,657 loss).

April 5, 2023, Equity Swap Agreement with Sorbie

On April 5, 2023, the Company entered into a financing transaction with Sorbie (the "Sorbie 2 Transaction") whereby the Company issued 1,169,118 units (the "Sorbie 2 Units") for a total consideration of $600,000. The units consisted of one common share and a one-half share purchase warrant. Each warrant entitles the holder to purchase one additional common share at $0.68 until April 5, 2026.

The $600,000 to be received for the Sorbie 2 Units were to be paid out in 12 monthly cash payments (the "Sorbie 2 Settlements") that were measured against a benchmark price of $0.725 per share (the "Sorbie 2 Benchmark") with a set number of shares totaling $600,000 at Sorbie 2 Benchmark.

The actual cash paid out under each Sorbie 2 Settlement was determined based on a volume-weighted average share price ("VWAP") for 20 trading days prior to the Sorbie 2 Settlements. If the measured share price was above the Sorbie 2 Benchmark, the Company received more than 100% of the expected Sorbie 2 Settlements. However, if the share price was below the Sorbie 2 Benchmark, the Company received less than 100% of the Sorbie 2 Settlements.

To determine the fair value of the Sorbie 2 Settlements the Company used Monte Carlo Simulation. Based on the terms of the Sorbie 2 Settlements, the Company calculated the expected future VWAP of the Company's share price at each Sorbie 2 Settlement date, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows. The Company used the following assumptions to determine the initial value of the Sorbie 2 Settlements:

As at	**April 5, 2023**
Sorbie 2 Benchmark	$0.725
Total number of Sorbie 2 Settlements	12
Share price on the valuation date	$0.73
Volatility	75.00%
Risk-free rate	4.20%
Fair value of expected Sorbie 2 Settlements	**$604,357**

To determine the allocation of the fair value of the Sorbie 2 Settlements, the Company analyzed Sorbie 2 Units under IFRS 9 and IAS 32. The Company determined that Sorbie 2 Units were equity instruments and the fair value of Sorbie 2 Settlements was allocated to share capital. The warrants were valued using the residual method, whereby the fair value of Sorbie 2 Settlements was first allocated to the shares, with the remaining value assigned to the warrants. The warrants issued as part of the Sorbie 2 Units were determined to have a $Nil value.

(Unaudited - Expressed in Canadian dollars)

Securities Issued	Quantity	Fair Value	Allocation	Prorated Value
		$		$
Common shares	1,169,118	805,147	100%	604,357
Warrants	584,559	–	residual value	–
Total		**805,147**		**604,357**

During the three months ended November 30, 2024, the Company did not receive any cash from Sorbie 2 Settlements, as Sorbie had fulfilled all of its obligations under the Sorbie 2 Transaction by April 5, 2024. The difference between each Sorbie 2 Settlement's fair value as at the initial recognition on April 5, 2023, and the actual monthly settlement received was recorded as realized gain or loss on financial assets. For the three months ended November 30, 2024, the Company did not incur any gain or loss on settlement of financial assets associated with Sorbie 2 Settlement (November 30, 2023 – $197,786 loss).

The difference between the initial valuation of the Sorbie 2 Settlements and their value at the reporting date was recorded as unrealized gain or loss. For the three months ended November 30, 2024, the Company did not incur any unrealized gain or loss (November 30, 2023 – $Nil) on settlement of financial assets associated with Sorbie 2 Settlement.

April 24, 2024, Equity Swap Agreement with Sorbie Bornholm LP

On April 24, 2024, the Company entered into a financing transaction (the "Sorbie 3 Transaction") with Sorbie whereby the Company agreed to issue 4,585,714 units (the "Sorbie 3 Units") for a total consideration of $1,500,000. The Sorbie 3 Units consisted of one common share at $0.35 and one share purchase warrant entitling Sorbie to purchase one additional common share at $0.50 until April 24, 2027.

The $1,500,000 to be received for the Sorbie 3 Units are being paid out in 24 monthly cash payments (the "Sorbie 3 Settlements") that were measured against a benchmark price of $0.48 per share (the "Sorbie 3 Benchmark") with a set number of shares totaling $1,500,000 at Sorbie 3 Benchmark.

The actual cash paid out under each Sorbie 3 Settlement is determined based on a VWAP for 20 trading days prior to the Sorbie 3 Settlements. If the measured share price is above the Sorbie 3 Benchmark, the Company receives more than 100% of the expected Sorbie 3 Settlements. However, if the share price is below the Sorbie 3 Benchmark, the Company receives less than 100% of the Sorbie 3 Settlements.

To determine the fair value of the Sorbie 3 Settlements the Company used Monte Carlo Simulation. Based on the terms of the Sorbie 3 Settlements, the Company calculated the expected future VWAP of the Company's share price at each Sorbie 3 Settlement date, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows. The Company used the following assumptions to determine the initial value of the Sorbie 3 Settlements at April 24, 2024, and to revalue the remaining value of Sorbie 3 Settlements at November 30, 2024:

(Unaudited - Expressed in Canadian dollars)

As at	November 30, 2024	April 24, 2024
Sorbie 3 Benchmark	$0.48	$0.48
Total number of Sorbie 3 Settlements	17	24
Share price on the valuation date	$0.49	$0.355
Volatility	70.32%	65.00%
Risk-free rate	3.20%	4.27%
Fair value of expected Sorbie 3 Settlements	**$692,242**	**$1,116,398**

To determine the allocation of the fair value of the Sorbie 3 Settlements, the Company analyzed Sorbie 3 Units under guidance available under IFRS 9 and IAS 32. The Company determined that Sorbie 3 Units were equity instruments, and the fair value of Sorbie 3 Settlements was allocated to share capital. The warrants were valued using the residual method, whereby the fair value of Sorbie 3 Settlements was first allocated to the shares, with the remaining value assigned to the warrants. The warrants issued as part of the Sorbie 3 Units were determined to have a $Nil value.

Securities Issued	Quantity	Fair Value	Allocation	Prorated Value
		$		$
Common shares	4,585,714	1,627,928	100%	1,116,398
Warrants	4,585,714	–	residual value	–
Total		**1,627,928**		**1,116,398**

During the three months ended November 30, 2024, the Company received a total of $184,375 (November 30, 2023 – $Nil) in Sorbie 3 Settlements and, at November 30, 2024, had a further $72,890 (August 31, 2024 – $55,534) recorded as receivable.

The difference between Sorbie 3 Settlement's fair value as at the initial recognition on April 24, 2024, and the actual cash received is recorded as realized gain or loss on financial assets. For the three months ended November 30, 2024, the Company recorded a realized gain on settlement of $62,960 (November 30, 2023 – $Nil).

At November 30, 2024, the fair value of the future Sorbie 3 Settlements was determined to be $692,242 (August 31, 2024 – $1,116,398). The difference between the initial valuation of the Sorbie 3 Settlements and their value at the reporting date is recorded as unrealized gain or loss. For the period ended November 30, 2024, the Company recognized $299,720 unrealized loss due to the revaluation of Sorbie 3 Settlements (November 30, 2023 – $Nil).

Sensitivity Analysis

The following table illustrates the impact of a 10% increase and a 10% decrease in the Company's share price on the fair value of the financial assets and financial liabilities from Sorbie transactions:

Transaction	Fair Value at November 30, 2024	10% Share Price Increase	10% Share Price Decrease
	$	$	$
Sorbie 3 Settlements	**692,242**	**693,446**	**692,402**

(Unaudited - Expressed in Canadian dollars)

5. RECEIVABLES

	November 30, 2024	August 31, 2024
	$	$
Sorbie Settlements receivable	72,890	55,534
GST receivable	10,456	5,251
	83,346	**60,785**

6. PREPAID EXPENSES

	November 30, 2024	August 31, 2024
	$	$
Regulatory fees	12,520	17,930
Advertising and promotion	21,708	24,500
Consulting fees	2,244	–
Management fees	4,799	–
	41,271	**42,430**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2024	August 31, 2024
	$	$
Accounts payable	732,016	744,429
Accrued liabilities	163,364	134,840
	895,380	**879,269**

8. SHARE CAPITAL

Authorized and issued

The authorized share capital consists of an unlimited number of common shares without par value (the "Common Shares") and an unlimited number of shares designated as preferred shares. At November 30, 2024, the Company had 51,539,114 common shares (August 31, 2024 – 51,472,019) and no preferred shares issued and outstanding.

Shares issued during the three months ended November 30, 2024

On October 18, 2024, the Company issued 38,595 common shares on exercise of finders' warrants at $0.35 for gross proceeds of $13,508.

On October 21, 2024, the Company issued 28,500 common shares on exercise of subscribers' warrants at $0.50 for gross proceeds of $14,250.

(Unaudited - Expressed in Canadian dollars)

Obligation to issue shares as at November 30, 2024

As at November 30, 2024, the Company had recorded an obligation to issue common shares to Sorbie on conversion of $14,329 in annual interest accrued on the Sorbie Notes as at June 28, 2024 (Note 9).

As at November 30, 2024, the Company had recorded an obligation to issue 500,000 common shares valued at $260,000 to SVP pursuant to the SV Agreement. These shares were issued on December 27, 2024 (Note 3).

As at November 30, 2024, the Company had recorded an obligation to issue 31,250 common shares for gross proceeds of $15,000 at $0.48 per unit as part of the non-brokered private placement offering, which closed on December 11, 2024.

Shares issued during the year ended August 31, 2024

On November 1, 2023, the Company issued 854,000 common shares to Sorbie upon the conversion of 700 Sorbie Notes, with a fair value of $380,030 (Note 9).

On November 28, 2023, the Company closed the first tranche of a non-brokered private placement issuing 820,000 units for gross proceeds of $369,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at $0.60 per share exercisable within 24 months from the issuance date. The warrants were valued at $8,200 using the residual method and recorded in reserves.

In connection with the closing of the first tranche of the private placement, the Company paid a total of $32,400 in cash finders' fees, $7,500 in legal fees, and issued 72,000 finders' warrants. Each finders' warrant entitles the holder to acquire one common share at $0.44 per share exercisable within 24 months from the closing of the first tranche. The finders' warrants were valued at $12,733 using Black Scholes Option Pricing Model with the following assumptions:

Share price	$0.44
Exercise price	$0.45
Exercise term	24 months
Risk free rate	4.29%
Volatility	70.70%

On December 11, 2023, the Company closed the second and final tranche of the non-brokered private placement, issuing 680,333 units for gross proceeds of $306,150. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at $0.60 per share, for 24 months from the closing date. The warrants were valued at $23,812 using the residual method and recorded in reserves.

In relation to the second tranche of the private placement, the Company paid $5,550 in legal fees and $15,165 in finders' fees; in addition, the Company issued 33,700 finders' warrants. Each finders' warrant entitles the holder to acquire one additional common share at $0.45 per share exercisable within 24 months from the closing of the second tranche. The finders' warrants were valued at $5,363 using Black Scholes Option Pricing Model with the following assumptions:

(Unaudited - Expressed in Canadian dollars)

Share price	$0.415
Exercise price	$0.45
Exercise term	24 months
Risk free rate	4.18%
Volatility	70.66%

On December 12, 2023, the Company issued 5,387 common shares valued at $2,397 to settle $2,397 interest payable on Sorbie Notes.

On December 19, 2023, the Company issued 525,000 common shares valued at $210,000 to Colibri in accordance with the anti-dilution clause of the Pilar Agreement (Note 3).

On February 2, 2024, the Company issued 829,600 common shares to Sorbie upon the conversion of 680 Sorbie Notes, with a fair value of $306,952 (Note 9) and 10,977 common shares valued at $4,062 to settle its interest payable on Sorbie Notes.

On April 24, 2024, the Company closed the first tranche of a non-brokered private placement issuing 1,713,800 units at $0.35 per unit for gross proceeds of $599,830. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at $0.50 per share, exercisable within 36 months from the closing of the first tranche, subject to accelerated expiry provisions. The warrants were valued at $nil using the residual method.

In relation to the private placement, the Company paid a total of $10,000 in legal fees, $52,885 in cash finders' fees, and issued 151,000 finders' warrants exercisable at $0.35 per common share, expiring on April 24, 2027. The finders' warrants were valued at $26,935 using Black Scholes Option Pricing Model with the following assumptions:

Share price	$0.35
Exercise price	$0.35
Exercise term	36 months
Risk free rate	4.16%
Volatility	73.77%

Concurrent with the closing of April 24, 2024 private placement, the Company issued 4,585,714 units to Sorbie in exchange for the Sorbie 3 Settlement payments over the 24 months pursuant to the terms and conditions of Sorbie 3 Transaction. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at $0.50 per share and expires on April 24, 2027. The units were valued based on the fair value of expected Sorbie 3 Settlements, which was determined to be $1,116,398 using Monte Carlo Simulation (Note 4).

On May 8, 2024, the Company closed its second and final tranche of the non-brokered private placement issuing 1,201,600 units for gross proceeds of $420,560. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at $0.50 per share, exercisable within 36 months from the closing date. The Company paid $10,000 in legal fees, $11,641 in cash finders' fees, and issued 33,260 finders' warrants exercisable at $0.35 per common share, expiring on May 8, 2027. The finders' warrants were valued at $5,923 using Black Scholes Option Pricing Model with the following assumptions:

(Unaudited - Expressed in Canadian dollars)

Share price	$0.35
Exercise price	$0.35
Exercise term	36 months
Risk free rate	4.06%
Volatility	73.54%

On June 26, 2024, the Company issued 10,500 common shares on the exercise of finders' warrants for gross proceeds of $4,725.

On August 8, 2024, the Company issued 250,000 shares valued at $120,000 to Suaqui Verde Properties in relation to the Pilar landholding expansion (Note 3).

Stock Options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of five years and vest as determined by the Board of Directors.

A summary of option activities is as follows:

	Three months ended November 30, 2024		Year ended August 31, 2024	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
		$		$
Outstanding, beginning of the period	3,362,500	0.58	2,662,500	0.60
Expired	(150,000)	0.40	–	n/a
Granted	–	n/a	700,000	0.50
Outstanding, ending of the period	3,212,500	0.60	3,362,500	0.58
Exercisable, ending of the period	3,162,500	0.60	3,262,500	0.58

As at November 30, 2024, the following incentive stock options were outstanding:

Number	Exercise Price	In Years	Expiry Date	Exercisable
	$			
181,250	0.35	0.78	September 11,2025	181,250
281,250	0.40	0.81	September 21, 2025	281,250
100,000	0.40	1.04	December 15, 2025	100,000
150,000	0.35	1.14	January 19, 2026	150,000
200,000	0.80	1.42	May 3, 2026	200,000
200,000	0.45	2.00	December 1, 2026	150,000
1,200,000	0.72	2.68	August 5, 2027	1,200,000
400,000	0.72	3.39	April 20, 2028	400,000
500,000	0.50	3.84	October 3, 2028	500,000
3,212,500	**0.60**	**2.43**		**3,162,500**

As at November 30, 2024, the weighted average life of the options was 2.43 years.

(Unaudited - Expressed in Canadian dollars)

Share-based compensation

During the period ended November 30, 2024, the Company recognized $2,898 (November 30, 2023 – $254,635) in share-based compensation associated with options granted during the year ended August 31, 2024.

Warrants

A summary of warrant activities is as follows:

	Period ended November 30, 2024		Year ended August 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		$		$
Outstanding, beginning of year	16,492,546	0.83	9,546,755	1.21
Issued	–	n/a	9,291,507	0.51
Exercised	(67,095)	0.41	(10,500)	0.45
Expired	–	n/a	(2,335,216)	1.14
Outstanding, ending of year	**16,425,451**	0.83	**16,492,546**	0.83

At November 30, 2024, the following subscribers' warrants were outstanding:

Expiry Date	Number of Subscribers' Warrants	Weighted Average Exercise Price
		$
June 28, 2025	1,713,490	1.30
June 28, 2025	1,713,490	1.40
June 28, 2025	3,200,000	1.20
April 5, 2026	584,559	0.68
November 28, 2025	820,000	0.60
December 11, 2025	680,333	0.60
April 24, 2027	6,299,514	0.50
May 8, 2027	1,173,100	0.50
	16,184,486	**0.83**

At November 30, 2024, the weighted average life of the subscribers' warrants was 1.49 years.

At November 30, 2024, the following finders' warrants were outstanding:

Expiry Date	Number of Finders' Warrants	Weighted Average Exercise Price
		$
November 28, 2025	61,500	0.45
December 11, 2025	33,700	0.45
April 24, 2027	118,100	0.35
May 8, 2027	27,665	0.35
	240,965	**0.39**

At November 30, 2024, the weighted average life of the finders' warrants was 1.85 years.

(Unaudited - Expressed in Canadian dollars)

9. CONVERTIBLE NOTES

In connection with the Sorbie 1 Transaction (Note 4), the Company issued a total of 2,801 convertible notes with a face value of $1,000 per Sorbie Note for a total of $2,810,124 maturing on June 28, 2025. Each Sorbie Note has a coupon rate of 1% per annum, non-compounding, and is payable in common shares. Each note is convertible into 1,220 common shares provided that in the event of a takeover offer at a price lower than $0.82 per share, the conversion price shall be substituted for the price at which the takeover offer is made. The Sorbie Notes can be converted to shares at the discretion of Sorbie, provided that notice in writing setting out the number of Sorbie Notes to be converted and the proposed date for conversion is given to the Company at least five business days prior to the proposed date for conversion. In addition, the Sorbie Notes cannot be redeemed prior to the maturity date, when they automatically convert to Common Shares of the Company. Because the conversion price is not fixed, at initial recognition the Company recorded the fair value of the Sorbie Notes, being $2,810,124 as debenture payable.

During the year ended August 31, 2024, the Company issued 1,683,600 common shares valued at $686,982 on conversion of 1,380 Sorbie Notes and issued a further 16,364 common shares for accrued interest payable of $6,459 at an average price of $0.39 per share. The conversion of Sorbie notes resulted in a realized gain of $693,570. During the three months ended November 30, 2024, Sorbie did not convert any of Sorbie Notes.

At November 30, 2024, the Company recognized the fair value of the remaining 1,429 Sorbie Notes at $860,324 and recorded an unrealized loss of $95,886 (November 30, 2023 – $466,967 gain) on revaluation, which resulted from the increase of the Company's share price from $0.435 at August 31, 2024, to $0.485 on November 30, 2024.

During the period ended November 30, 2024, the Company recognized $3,563 (November 30, 2023 – $6,664) in interest expense related to the Sorbie Notes. On November 30, 2024, $20,398 (August 31, 2024 – $16,835) in accrued interest remained payable.

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the three months ended November 30, 2024 and 2023 was as follows:

Description	November 30, 2024	November 30, 2023
	$	$
Consulting fees	3,000	3,000
Deferred exploration expenditures	96,576	58,442
Management fees	12,000	12,000
Share-based compensation	–	24,326
	111,576	**97,768**

Related party balances

During the three months ended November 30, 2024, the Company incurred $12,000 (November 30, 2023 – $12,000) in management fees and $3,000 (November 30, 2023 – $3,000) in deferred exploration expenditures to a company controlled by the CEO. As at November 30, 2024, $4,799 was due from the CEO (August 31, 2024 – $Nil); this amount was included in prepaid expenses (Note 6).

(Unaudited - Expressed in Canadian dollars)

During the three months ended November 30, 2024, the Company incurred $93,576 (November 30, 2023 – $55,442) in deferred exploration expenditures to a company controlled by a director. These fees included US$9,000 (November 30, 2023 – US$9,000) in geological and consulting fees. As at November 30, 2024, $666,207 (August 31, 2024 – $604,294) was owed to the related party.

During the three months ended November 30, 2024, the Company incurred $3,000 (November 30, 2023 – $3,000) in consulting fees to the Company's CFO. As at November 30, 2024, $Nil (August 31, 2024 – $Nil) was owed to the CFO.

All amounts due to related parties are unsecured, non-interest bearing, and with no fixed repayment terms.

11. CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company's capital management objective is to ensure the Company's ability to continue as a going concern by maintaining adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

a. Fair Value

The Company's cash, receivables, accounts payable and due to related parties are classified at amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature. The financial assets and debenture payable are all classified at FVTPL. Financial assets and liabilities at fair value through profit and loss are revalued at each reporting date based on the three levels of a fair value hierarchy.

The following table summarizes the carrying values of the Company's financial instruments:

	November 30, 2024	August 31, 2024
	$	$
Financial assets at amortized cost (i)	143,921	162,424
Financial assets at fair value through profit and loss (ii)	692,242	1,130,734
Financial liabilities at amortized cost (iii)	1,398,222	1,482,728
Financial liabilities at fair value through profit and loss (iv)	860,324	775,205

(i) Cash and receivables
(ii) Monthly Settlements resulting from Sorbie Transactions (Note 4)
(iii) Due to related parties and accounts payable
(iv) Convertible debenture payable issued as a result of Sorbie 1 Transaction (Notes 4 and 9)

b. Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, which is held with a high credit quality financial institution, Sorbie Settlements receivable as a result of Sorbie Transactions, and to a smaller extent GST receivable from the Government of Canada.

(Unaudited - Expressed in Canadian dollars)

c. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and operating expenditures by raising additional funds through share issuances when required. The Sorbie Notes mature on June 28, 2025 (Notes 4 and 9) however, will only be settled through conversion to shares. The Company's other financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

d. Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

As at November 30, 2024, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign source currencies, converted to Canadian Dollars at the prevailing rate at the end of the reporting year.

			+/- 10% Fluctuation	
As of November 30, 2024	**CAD Equivalent**	**Currency**	**Increase**	**(Decrease)**
	$		**$**	**$**
Cash	32,647	USD	3,265	(3,265)
Cash	2,447	MXN	245	(245)
Accounts payable and accrued liabilities	617,335	USD	61,733	(61,733)
Accounts payable and accrued liabilities	407	MXN	41	(41)
Accounts payable and accrued liabilities	16,501	EURO	1,650	(1,650)
Due to related parties	666,207	USD	66,621	(66,621)
Total	**1,335,544**		**133,555**	**(133,555)**

e. Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

f. Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company. The Company is exposed to equity price risk since Sorbie Monthly Settlements are affected by the movement of the Company's share price.

(Unaudited - Expressed in Canadian dollars)

13. RESTATEMENT

The comparative figures for the three months ended November 30, 2023, have been restated as the Company has reassessed the classification of warrants issued as part of Sorbie 1 Transaction and Sorbie 2 Transaction (together the "Sorbie Transactions") (Note 4).

The Company determined that warrants issued as part of the Sorbie Transactions met the criteria to be classified as equity rather than liabilities.

The impact of the above reclassification of warrants is as follows:

Consolidated Statements of Loss and Comprehensive Loss

	As at November30, 2023 *(As previously reported)*	Restatement	November 30, 2023 *(Restated)*
	$	$	$
Unrealized gain on warrants payable	484,750	(484,750)	–
Net loss and comprehensive loss for the year	(143,536)	(484,750)	(628,286)
Basic and diluted loss per share	(0.00)		(0.02)

14. SUBSEQUENT EVENTS

On December 10, 2024, the Company issued 4,012,500 units to Sorbie in relation to a private placement of $1,800,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.75 within 36 months from the closing date. The proceeds of the offering will be paid out to the Company over 24 monthly cash payments (the "Sorbie 4 Settlement") measured against a benchmark price of $0.66 per share (the "Sorbie 4 Benchmark") with a set number of shares totaling $1,800,000 at the Sorbie 4 Benchmark. The actual cash paid out under each Sorbie 4 Settlement is determined based on a VWAP for 20 trading days prior to the Sorbie 4 Settlements. If the measured share price is above the Sorbie 4 Benchmark, the Company receives more than 100% of the expected Sorbie 4 Settlements. However, if the share price is below the Sorbie 4 Benchmark, the Company receives less than 100% of the Sorbie 4 Settlements.

On December 10, 2024, the Company issued 636,083 units at $0.48 per unit for gross proceeds of $305,320. Each unit consisted of one common share and one share purchase warrant exercisable at $0.75 within 36 months from the closing date. In relation to the private placement, the Company paid $24,696 on finders' fees and issued 51,450 finders' warrants exercisable at $0.48 per common share for a period of 36 months from the closing date.

On December 27, 2024, the Company issued 500,000 common shares to Suaqui Verde Properties, S.A. De C.V. pursuant to its share issuance commitment included in the SV Agreement.