ALPHA COPPER CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2024 and 2023

Stated in Canadian Dollars

ALPHA COPPER CORP.

INDEX TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2024 and 2023

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Alpha Copper Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alpha Copper Corp. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has no source of operating revenue, and has incurred net losses since its inception. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 2 – Material accounting policy information – Exploration and evaluation assets, Significant judgements – Indicators of impairment, and Note 9 – Exploration and evaluation assets Management assesses at each reporting period whether there is an indication that the carrying value	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: Assessed the Company's market capitalization in

of the exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	comparison to the Company's net assets, which may be an indication of impairment. Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. Confirmed that the Company's right to explore the properties had not expired. Obtained management's written representations regarding the Company's future plans for the mineral properties. Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units withing the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is James D. Gray.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
January 28, 2025

ALPHA COPPER CORP.

Consolidated Statements of Financial Position
As at September 30,
(Stated in Canadian dollars)

	2024	2023
Assets		
Current assets:		
Cash	$ 9,735	$ 34,379
Restricted cash (Note 4)	-	28,750
Goods and services taxes receivable	40,420	234,450
Prepaid and deposits (Note 5)	2,700	2,700
Total current assets	52,855	300,279
Reclamation bond (Note 6)	109,500	109,500
Property and equipment (Note 8)	18,647	23,309
Exploration and evaluation assets (Note 9)	6,546,649	10,613,116
Total assets	**$ 6,727,651**	**$ 11,046,204**
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 10 & 13)	$ 939,813	$ 637,819
Flow-through premium liability (Note 17)	-	119,408
Loans payable (Note 11)	390,248	-
Total current liabilities	1,330,061	757,227
Shareholders' equity:		
Share capital (Note 12)	18,621,366	18,074,487
Reserves	3,431,300	3,431,300
Deficit	(16,655,076)	(11,216,810)
Total shareholder's equity	5,397,590	10,288,977
Total liabilities and shareholder's equity	**$ 6,727,651**	**$ 11,046,204**

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 19)

On behalf of the Board of Directors:

"Darryl Jones" Director

"Sean Kingsley" Director

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

ALPHA COPPER CORP.

Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended September 30, 2024 and 2023
(Stated in Canadian dollars)

	2024	2023
Expenses		
Consulting fees (Note 13 & 16)	$ 200,871	$ 402,505
Marketing and investor relations (Note 16)	93,632	1,631,870
Office and administration (Note 11 & 13)	84,422	166,187
Professional fees	77,951	292,843
Regulatory and filing	43,572	59,503
Share-based compensation (Note 12)	-	125,004
Depreciation (Note 7 & 8)	4,662	57,555
Net loss before other items	(505,110)	(2,735,467)
Other items		
Flow-through premium recovery, net of provision	60,408	178,062
Interest income	1,562	720
Property impairment (Note 9)	(5,018,474)	-
Write-off of receivables	-	(19,500)
Gain on settlement of accounts payable	23,348	-
Gain on extinguishment of lease (Note 7)	-	126,478
Net loss and comprehensive loss for the year	**$ (5,438,266)**	**$ (2,449,707)**
Weighted average numbers of shares outstanding	9,590,271	8,036,798
Loss per share – basic and diluted	$ (0.57)	$ (0.30)

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

ALPHA COPPER CORP.

Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended September 30, 2024 and 2023
(Stated in Canadian dollars)

	Share Capital		Reserves	Deficit	Total Equity
	# of shares*	**$**	**$**	**$**	**$**
Balance, September 30, 2022	5,774,989	$ 12,002,394	$ 1,942,635	$ (8,767,103)	$ 5,177,926
Acquisition of CAVU	2,548,502	5,351,853	1,365,551	-	6,717,404
Share issue costs	-	(9,900)	-	-	(9,900)
Exercise of warrants (Note 12)	595,000	722,890	(1,890)	-	721,000
Shares issued for mineral properties (Note 9)	5,000	7,250	-	-	7,250
Share-based compensation (Note 12)	-	-	125,004	-	125,004
Net loss for the year	-	-	-	(2,449,707)	(2,449,707)
Balance, September 30, 2023	**8,923,491**	**$ 18,074,487**	**$ 3,431,300**	**$(11,216,810)**	**$ 10,288,977**
Shares issued for mineral properties (Note 9)	567,537	500,000	-	-	500,000
Shares issued on issuance of debt (Note 11)	290,000	46,879	-	-	46,879
Net loss for the year	-	-	-	(5,438,266)	(5,438,266)
Balance, September 30, 2024	**9,781,028**	**$ 18,621,366**	**$ 3,431,300**	**$(16,655,076)**	**$ 5,397,590**

*In February 2024, the Company completed a 2.5 to 1 share consolidation. All shares shown have been consolidated.

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

ALPHA COPPER CORP.

Consolidated Statements of Cash Flows
For the Years Ended September 30, 2024 and 2023
(Stated in Canadian dollars)

	2024	2023
Cash provided by (used in):		
Operating activities		
Net loss	$ (5,438,266)	$ (2,449,707)
Items not affecting cash:		
Depreciation	4,662	57,555
Flow-through premium recovery, net of provision	(60,408)	(178,062)
Interest expense	27,127	45,039
Property impairment	5,018,474	-
Gain on settlement of accounts payable	(23,348)	-
Gain on extinguishment of lease	-	(126,478)
Share-based compensation	-	125,004
Change in non-cash working capital:		
Goods and services taxes receivable	194,030	(72,658)
Prepaid and deposits	-	555,312
Accounts payable and accrued liabilities	355,303	322,903
Net cash provided by (used in) operations	**77,574**	**(1,721,092)**
Investing activities		
Exploration and evaluation assets	(540,968)	(2,114,580)
Refund of deposit (Note 4)	28,750	-
Purchase of property and equipment	-	(2,751)
Lease obligations	-	(92,430)
Cash acquired on acquisition of CAVU	-	98,063
Net cash (used in) investing activities	**(512,218)**	**(2,111,698)**
Financing activities		
Proceeds from loans payable	410,000	-
Proceeds from exercise of warrants	-	721,000
Share issue costs	-	(9,900)
Net cash provided by financing activities	**410,000**	**711,100**
Net decrease in cash	(24,644)	(3,121,690)
Cash, beginning of year	34,379	3,156,069
Cash, end of year	**$ 9,735**	**$ 34,379**

Non-Cash Transactions	2024	2023
Shares issued for acquisition of CAVU Energy Metals Corp.	$ -	$ 5,351,853
Shares issued for property payment	$ 500,000	$ -
Shares issued for bonus payment on issuance of debt	$ 46,879	$ -
Exploration and evaluation costs included in accounts payable and accrued liabilities	$ 251,223	$ 340,184

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Alpha Copper Corp. (the "Company" or "Alpha") was incorporated under the Business Corporations Act (British Columbia) on March 29, 2019. The Company is in the business of mineral property exploration and was listed on the Canadian Securities Exchange ("CSE") on August 9, 2019, after completing its initial public offering pursuant to a prospectus dated May 10, 2019. The Company's stock symbol is "ALCU". In February 2024, the Company completed a 2.5 to 1 share consolidation. All shares shown in these financials statements have been consolidated.

The Company has option agreements to earn an interest in mineral properties located in British Columbia (Note 9) and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts from the properties are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreements and to complete the development of the properties and upon future profitable production or proceeds for the sale thereof.

The Company's head office, principal address and registered and records office is located at 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L4.

The Company's ongoing operations are ultimately dependent upon the success of its business activities and its ability to attain profitable operations and generate funds therefrom and/or to raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to continue financing operating costs through public and private financing endeavors. However, the Company has no source of operating revenue, has incurred net losses since inception and as at September 30, 2024 has a cumulative operating deficit of $16,655,076 (2023 – $11,216,810) and a working capital deficit of $1,277,206 (2023 – $456,948). The Company also has significant commitments to complete exploration work (Note 9). These material uncertainties cast significant doubt about the Company's ability to continue as a going concern. Its continued existence will, in the near term, be dependent on the continued receipt of related party debt or equity financing on terms which are acceptable to the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These consolidated financial statements have been prepared using accounting policies in compliance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue by the Board of Directors on January 28, 2025

Basis of presentation

These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Intercompany balances and transactions are eliminated in preparing the consolidated financial statements. The following companies have been consolidated within these consolidated financial statements:

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Entity	Country of Incorporation	Holding	Functional Currency
Alpha Copper Corp.	Canada	Parent	Canadian Dollar
CAVU Energy Metals Corp. (“CAVU”)	Canada	100%	Canadian Dollar

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the change is identified, and prospectively in future periods.

Significant judgements

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

Going concern

In the preparation of these consolidated financial statements management is required to identify when events or conditions indicate that significant doubt may exist about the Company’s ability to continue as a going concern. Significant doubt about the Company’s ability to continue as a going concern would exist when relevant conditions and events, considered in the aggregate, indicate that the Company will not be able to meet its obligations as they become due for a period of at least, but not limited to, twelve months from the balance sheet date. When the Company identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt. Management uses judgement to assess the Company’s ability to continue as a going concern and the conditions that cast doubt upon the use of the going concern assumption. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

Indicators of impairment

The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation properties. Judgment is required to determine if the right to explore will expire in the near future or is not expected to be renewed, to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted, to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable quantities of mineral resources and the Company will discontinue such activities, and is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Share-based payments

Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Interest rates

The Company estimates a market interest rate in determining the fair value of the liability component of its loans payable. The determination of market interest rate is subjective and could materially affect the fair value estimate.

Financial instruments

The classification and measurement of the Company's financial instruments are set out below:

<u>Financial assets</u>

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income ("FVTOCI") or measured at fair value through profit or loss ("FVTPL").

(i) Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

(ii) Financial assets measured at FVTPL

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(iii) Financial assets measured at FVTOCI

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as “financial asset at fair value through other comprehensive income” in other comprehensive income.

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the statement of comprehensive loss.

However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

<u>Financial liabilities</u>

(a) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(b) Classification of financial liabilities

The Company recognizes financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss (“FVTPL”)

(i) Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

The Company’s accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost.

(ii) Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company does not have any liabilities classified as financial liabilities measured at fair value through profit or loss.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

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

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring mineral concession and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of loss and comprehensive loss. In addition, all costs incurred until an appropriate economic assessment has been completed and there is confidence that permits can be obtained to develop the project are expensed. Afterwards, all costs incurred for the development of mineral properties are capitalized.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Income taxes

Current income tax:

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Share capital

Common shares are classified as equity and measured at the fair value of consideration received or services rendered. Cash consideration received for common shares issued to non-related parties is considered to be the most accurate reflection of fair value; concurrent issuances to related parties at lower prices would accordingly be considered to reflect a component of non-monetary compensation. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and residual proceeds is allocated to the liability. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statements of loss and comprehensive loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability and makes a corresponding adjustment to the related ROU asset whenever:

- the lease term has changed;
- the lease payments change due to changes in an index;
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

ROU assets are included in property, plant and equipment, and the lease liability is presented separately in the consolidated statements of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statements of loss and comprehensive loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not applied this practical expedient to any of its leases and has separated out non-lease components.

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Compound instruments

The loans payable was separated into their liability and equity components on issuance of the instruments. The liability component is initially recognized at fair value, calculated at the present value of the liability based upon debt instrument with no bonus shares and accounted for at amortized cost using effective interest rate method. The effective interest rate used is the estimated rate for debt instruments with similar terms at the time of issue. The residual value is then allocated to the equity component.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Future accounting pronouncements

The Company did not adopt any new accounting standard changes or amendments in the current year that had a material impact on the Company's financial statements.

The Company has not yet begun the process of assessing the impact of other new and amended standards that are effective for annual periods beginning on or after October 1, 2024 will have on its financial statements or whether to early adopt any of the new requirements. The Company does not expect the impact of such changes on the financial statements to be material, although additional disclosure may be required.

Property plant and equipment

Equipment is recorded at cost. Amortization is recorded on a declining balance basis over the estimated useful lives of the related assets at the following annual rate:

- Office furniture and equipment 20%

3. ACQUISITION OF CAVU ENERGY METALS CORP.

On December 18, 2022, the Company completed the acquisition of all of the issued and outstanding shares of CAVU, a publicly-listed Canadian company (the "Transaction").

Under the terms of the Transaction, Alpha issued a total of 25,485,016 pre-consolidation common shares to the shareholders of CAVU at an exchange ratio of 0.7 shares of Alpha for every one share of CAVU, and also issued stock options and share purchase warrants based at the same exchange ratio for 2,061,000 pre-consolidation stock options and 13,673,234 pre-consolidation warrants of CAVU which were outstanding at the date of acquisition.

The Transaction was accounted for as an asset acquisition as the activities of CAVU did not meet the definition of a business under IFRS 3, *Business Combinations*. The fair value of the net assets of CAVU was not independently determinable, and accordingly the Transaction was recorded based on the estimated value of the consideration given up by Alpha.

(Stated Amounts in Canadian dollars)

3. ACQUISITION OF CAVU ENERGY METALS CORP. (*continued)*

The net assets acquired by the Company were estimated at a fair value of $6,717,404, as follows:

Fair value of Common Shares issued (25,485,016 pre-consolidation shares)	$	5,351,853
Fair value of Alpha Warrants exchanged for those of CAVU		1,168,509
Fair value of Alpha Options exchanged for those of CAVU		197,042
Fair value of consideration paid by Alpha	**$**	**6,717,404**

The assets and liabilities of CAVU acquired were recorded based on their carrying amounts, except for the surplus amount of consideration issued in excess of the net assets of CAVU, which was allocated to exploration and evaluation assets. This allocation was as follows:

Cash	$	98,063
Restricted cash		28,750
Amounts receivable		47,156
Prepaids and deposits		148,012
Right-of-use asset		348,936
Long-term deposits		38,794
Reclamation bond		109,500
Exploration and evaluation assets		6,623,067
Accounts payable and accrued liabilities		(124,816)
Flow-through liability		(129,324)
Lease obligations		(470,734)
Fair value of consideration paid by Alpha	**$**	**6,717,404**

4. RESTRICTED CASH

The Company's restricted cash consists of an amount deposited in a variable rate guaranteed investment certificate (GIC). The GIC is held with a financial institution as security over a corporate credit card the financial institution has issued to the Company. The GIC is redeemable following the cancellation of the credit card, which can be cancelled at any time. The credit card was cancelled during the year ended September 30, 2024 and as a result the restricted cash was released.

5. PREPAIDS AND DEPOSTS

		2024		2023
Marketing expense	$	2,700	$	2,700
	$	**2,700**	**$**	**2,700**

6. RECLAMATION BOND

The Company has a reclamation bond associated with the Star property. The total amount of the bond is $219,000, of which the Company has paid $109,500 and the other $109,500 has been insured with a third-party insurance agency.

(Stated Amounts in Canadian dollars)

7. RIGHT-OF-USE ASSET

Cost		
Balance, September 30, 2022	$	-
Additions resulting from the acquisition of CAVU		348,936
Termination of lease agreement		(348,936)
Balance, September 30, 2023	**$**	**-**
Accumulated Depreciation		
Balance, September 30, 2022	$	-
Depreciation		52,071
Termination of lease agreement		(52,071)
Balance, September 30, 2023	**$**	**-**
Net Book Value September 30, 2022	**$**	**-**
Net Book Value September 30, 2023	**$**	**-**

On December 18, 2022, through the acquisition of CAVU, the Company assumed an office lease located in Vancouver, BC and was recorded as a right-of-use asset under the purchase price allocation. The ROU asset was depreciated on a straight-line basis over the life of the lease.

On September 1, 2023, the Company entered into an agreement with a related party to assume the office rental space. As a result, the right of use asset has been derecognized and a resulting gain on the termination of the lease has been recorded in the statement of income.

8. PROPERTY AND EQUIPMENT

		Furniture and equipment
Cost		
Balance, September 30, 2022	$	27,413
Additions		2,751
Balance, September 30, 2023		30,164
Additions		-
Balance, September 30, 2024	**$**	**30,164**
Accumulated Depreciation		
Balance, September 30, 2022	$	1,371
Depreciation		5,484
Balance, September 30, 2023		6,855
Depreciation		4,662
Balance, September 30, 2024	**$**	**11,517**
Net Book Value		
September 30, 2023	**$**	**23,309**
September 30, 2024	**$**	**18,647**

9. EXPLORATION AND EVALUATION ASSETS

Indata Property, British Columbia, Canada

In June 2018, the Company entered into an agreement with Eastfield Resources Ltd. ("Eastfield") whereby it obtained the option to acquire an undivided 60% interest in Eastfield's 91.2% - owned Indata copper-gold property ("Indata Property") located 120 kilometres northwest of the community of Fort St. James, British Columbia. The Indata Property comprises 16 mineral claims totaling 3,189 hectares. The residual 8.8% interest in the Indata Property is held by Imperial Metals Corporation. Eastfield and the Company have a director in common. Refer also to Note 13.

To earn the 60% interest, the Company is required to complete $2,600,000 in exploration work ($1,654,132 incurred), make cash payments of $210,000 ($125,000 paid) and issue common shares or make cash payments at an aggregate value of $210,000 ($110,000 worth of shares issued and $60,000 paid in cash) by December 31, 2025.

Okeover Property, British Columbia, Canada

In January 2022, the Company entered into an agreement with Eastfield and Northwest Copper Corp. ("Northwest") the property titleholder, whereby it was assigned Eastfield's option to acquire a 100% interest in the Okeover Copper-Molybdenum Project (the "Okeover Project") located in British Columbia. The Okeover Project comprises 12 mineral claims totaling 4,614 hectares.

To complete this option the Company was required to issue a minimum of $1,500,000 worth of its common shares ($250,000 worth of shares issued) and incur $5,000,000 in exploration work on the property in stages over three years, plus issue additional common shares such that Northwest would own 10% of the Company's then-issued and outstanding common shares.

During the year ended September 30, 2023, the option agreement was terminated. After termination, the Company and Northwest entered into a purchase and sale agreement, pursuant to which the Company issued to Northwest an additional 567,537 common shares with an aggregate value of $500,000 to acquire the property outright.

Northwest retains a 2% Net Smelter Returns ("NSR") royalty, half of which may be bought back by the Company at any time prior to the commencement of commercial production for $1,000,000.

Hopper Project, Yukon, Canada

In December 2022, the Company assumed CAVU's option to acquire a 70% interest in the Hopper Property. To exercise the option and earn the 70% interest in the property, the Company is required to complete the following:

(a) to issue common shares and make cash payments to the option holder as follows:

- (i) to issue 100,000 common shares (CAVU common shares issued) and pay $25,000 (paid) on or before seven calendar days after March 31, 2021;
- (ii) to issue 100,000 common shares (CAVU common shares issued) and pay $75,000 (paid) on or before March 31, 2022;
- (iii) to issue 50,000 pre-consolidation common shares (issued) and pay $150,000 (paid) on or before March 31, 2023;
- (iv) to issue 50,000 pre-consolidation common shares and pay $200,000 on or before March 31, 2024; and
- (v) to issue 50,000 pre-consolidation common shares and pay $250,000 on or before March 31, 2025.

9. EXPLORATION AND EVALUATION ASSETS *(continued)*

(b) To incur expenditures of not less than $5,000,000 as follows:

(i) to incur an aggregate exploration expenditure of $1,000,000 (incurred) on or before March 31, 2023;

(ii) to incur an aggregate exploration expenditure of $2,000,000 on or before March 31, 2024;

(iii) to incur an aggregate exploration expenditure of $2,000,000 on or before March 31, 2025.

The Company is required to pay 2% of Exploration costs incurred in a fiscal year to third party.

During the year-ended September 30, 2024, the Hopper project option agreement was terminated and the capitalized costs have been written off.

Quesnel Property, British Columbia, Canada

In December 2022, the Company assumed the Quesnel Property on the acquisition of CAVU. The property was originally acquired through staking.

Star Property, British Columbia, Canada

In December 2022, the Company assumed CAVU's interest in the Star Property. CAVU purchased an initial 49% working interest in the property, and subsequently entered into an option agreement and acquired the remaining 51% interest by completing the following:

(a) issue common shares and make cash payments to the option holder as follows:

(i) issue 1,250,000 common shares (CAVU common shares issued) and pay $100,000 (paid) on or before seven calendar days after May 16, 2022;

(ii) pay $285,000 (paid) on or before July 1, 2022;

(iii) pay $385,000 (paid) on or before May 16, 2023; and

(iv) pay $385,000 (paid) on or before May 16, 2024.

The Star Project is subject to a royalty with certain legacy owners representing 2% of NSR upon commercial production. One-half of the royalty may be repurchased from the royalty holders for a price of $2,000,000.

The exploration and evaluation acquisition costs related to the Transaction were allocated to each specific property interest pro-rata, based on the pre-existing balances of related deferred costs in the accounts of CAVU.

Aggregate exploration costs incurred, by property, are as follows:

(Stated Amounts in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS *(continued)*

	Hopper Property	Quesnel Project	Star Project	Indata Property	Okeover Property	Total
	$	$	$	$	$	$
Balance, September 30, 2022	**-**	**-**	**-**	**1,484,808**	**383,411**	**1,868,219**
Acquisition costs	4,986,116	43,543	2,135,658	79,931	-	7,245,248
Staking	-	-	-	2,383	-	2,383
Exploration expenses	32,358	-	3,758	395,949	1,065,201	1,497,266
Balance, September 30, 2023	**5,018,474**	**43,543**	**2,139,416**	**1,963,071**	**1,448,612**	**10,613,116**
Acquisition costs	-	-	385,000	60,000	500,000	945,000
Staking	-	-	-	500	-	500
Exploration expenses	-	-	-	6,317	190	6,507
Impairment	(5,018,474)	-	-	-	-	(5,018,474)
Balance, September 30, 2024	**-**	**43,543**	**2,524,416**	**2,029,888**	**1,948,802**	**6,546,649**

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

		September 30, 2024		September 30, 2023
Trade accounts payable	$	825,622	$	552,621
Accrued accounts payable		114,191		85,198
	$	**939,813**	**$**	**637,819**

11. LOANS PAYABLE

During the year ended September 30, 2024, the Company received $350,000 in short-term loans. These loans are unsecured, bearing interest at 12% per annum payable on maturity, and mature 12 months from the date of issuance. In addition, the Company issued 290,000 common shares as additional compensation (the "bonus shares") under the loan agreements.

For accounting purposes, the loans with the bonus shares were considered a hybrid financial instrument and were allocated into corresponding debt and equity components at the date of issue. The Company used residual value method to allocate the principal amount of the loans between the liability and bonus share component. The Company valued the debt component of the loan agreements by calculating the present value of principal and interest payments, discounted at a rate of 26% which represents management's best estimate of the rate that a loan without bonus shares would earn. The debt component is subsequently accreted to the face value of the loan agreements with an effective interest of 12% per annum.

		Liability Component		Equity Component
Balance at September 30, 2023	$	-	$	-
Proceeds received		303,121		46,879
Accretion and interest		27,127		-
Balance at September 30, 2024	**$**	**330,248**	**$**	**46,879**

11. LOANS PAYABLE *(continued)*

Additionally, the Company received $60,000 in promissory notes that are unsecured, non-interest bearing, and have no repayment terms during the year ended September 30, 2024.

12. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value. In February 2024, the Company completed a 2.5 to 1 share consolidation which has been reflected on both the current and prior period share numbers.

Shares issued during the year ended September 30, 2024:

On October 6, 2023, the Company issued 567,537 common shares valued at $500,000 in connection with a property payment for the Okeover Property (see Note 9).

On June 11, 2024, the Company issued 290,000 common shares valued at $46,879 in connection with the loans payable (see Note 11).

Shares issued during the year ended September 30, 2023:

During the year ended September 30, 2023, the Company issued 595,000 common shares on the exercise of 595,000 warrants for gross proceeds of $721,000.

During the year ended September 30, 2023, the Company issued 2,548,502 common shares to the shareholders of CAVU following the CAVU acquisition. Refer to Note 3.

On April 19, 2023, the Company issued 5,000 common shares valued at $7,250 pursuant to CAVU's option to acquire a 70% interest in the Hopper Property.

Stock Option Plan

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the Company's issued and outstanding shares at the date of grant of the options. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the greater of the closing market price of the Company's shares on the CSE on (a) the date on which the Board of Directors grants and announces options (the "Award Date") and (b) the day prior to the Award Date. The Board of Directors may at any time and from time to time, fix limits, vesting requirements or restrictions in respect of which an Option Holder may exercise part of any Option they hold.

On December 18, 2022, the Company issued 206,150 options for the acquisition of CAVU in replacement of previously outstanding CAVU options. These options were estimated to have a fair value of $322,046 using the Black Scholes model with the following weighted average inputs: i) exercise price: $5.00; ii) share price: $2.10; iii) term: 2.65 years; iv) volatility: 183%; v) discount rate: 3.37%. The aggregate consideration of $322,046 associated with these options, the basis for which was initially established as options of CAVU, was allocated between an amount that was considered to relate to the pre-transaction period and that was considered to relate to the post-transaction period. The former amount of $197,042 was included as share -based consideration applicable to the acquisition of CAVU, while the latter, residual amount of $125,004 has been recorded as an operating expense.

(Stated Amounts in Canadian dollars)

12. SHARE CAPITAL *(continued)*

Stock Option Plan *(continued)*

The continuity of stock options for the years ended September 30, 2024 and 2023, is as follows:

	Number	Weighted Average Exercise Price
		$
Balance, September 30, 2022	443,000	4.10
Assumed on acquisition of CAVU	206,150	5.00
Balance, September 30, 2023	649,150	4.41
Expired	(258,000)	5.14
Balance, September 30, 2024	391,150	3.92

The following stock options were outstanding as at September 30, 2024:

Expiry date	Number of options	Exercise price	Remaining life (years)
June 24, 2027	185,000	$2.70	2.73
January 24, 2025	92,750 *	$6.70	0.32
July 6, 2026	4,900	$5.90	1.76
October 1, 2024	3,500 *	$8.10	0.00
February 24, 2026	105,000	$3.40	1.40
Balance, September 30, 2024	391,150	$3.92	1.77

* Subsequently expired unexercised.

Warrants

The continuity of share purchase warrants for the years ended September 30, 2024 and 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2022	3,129,485	5.83
Issued on acquisition of CAVU	1,367,323	5.45
Exercised	(595,000)	1.20
Expired	(255,105)	4.15
Balance, September 30, 2023	3,646,703	6.55
Expired	(3,240,703)	7.32
Balance, September 30, 2024	406,000	**0.40**

The following share purchase warrants were outstanding as at September 30, 2024:

Expiry date	Number of warrants	Exercise price	Remaining life (years)
		$	
September 29, 2025	315,000	0.40	1.00
October 9, 2025	91,000	0.40	1.02
	406,000	**0.40**	**1.00**

12. SHARE CAPITAL *(continued)*

Warrants *(continued)*

On December 18, 2022, the Company issued 1,367,323 warrants for the acquisition of CAVU in replacement of previously outstanding CAVU warrants. These warrants were estimated to have a fair value of $1,168,509 using the Black Scholes model with the following inputs: i) exercise price: $0.40 - $8.60; ii) share price: $2.10; iii) term: 0.16 – 2.81 years; iv) volatility: 90% - 215%; v) discount rate: 3.67%.

13. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be officers and directors of the Company.

Payments and accrual were made to the following officers and directors or to companies controlled by these officer and directors.

During the year ended September 30, 2024, the Company incurred consulting fees of $nil (2023 – $180,000) to a privately held company owned by the Chief Executive Officer.

During the year ended September 30, 2024, the Company incurred consulting fees of $48,000 (2023 – $40,500) to a privately held company owned by the former Chief Financial Officer.

During the year ended September 30, 2024, the Company incurred geological consulting fees of $24,525 (2023 – $266,133) to a privately held company owned by one of the Company directors. These amounts are included in exploration and evaluation assets and office and administration expense.

As at September 30, 2024, $200,649 (2023 - $225,724) is included in accounts payable and accrued liabilities and $50,000 (2023 - $nil) in loans payable (Note 11) for amounts owing to related parties.

All related party amounts were incurred in the normal course of operations, bear no interest, and have no fixed terms of repayment.

14. RISK AND CAPITAL MANAGEMENT

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company’s financial instruments are not materially different from their carrying values.

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

(Stated Amounts in Canadian dollars)

14. RISK AND CAPITAL MANAGEMENT *(continued)*

	Level	September 30, 2024	September 30, 2023
		$	$
Cash	1	9,735	34,379
Restricted cash	1	-	28,750
Reclamation bond	1	109,500	109,500

The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market-related interest rates.

15. CAPITAL DISCLOSURES AND MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its projects. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, enter into joint venture arrangements, borrow, acquire or dispose of assets.

(Stated Amounts in Canadian dollars)

16. COMMITMENTS

On May 1, 2024, the Company entered into a Management Services Agreement (“Agreement”) with Zimtu Capital Corp. (“Zimtu”). Under the terms of the Agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of $15,000 per month.

On May 1, 2024, the Company engaged Zimtu to provide marketing services as part of a cooperative marketing program. In consideration, the Company will make monthly payments of $12,500 for a period of one year.

17. LIABILITY RELATED TO FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through common shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent funds received from flow-through share issuances, included within balances of cash and cash equivalents, that are held by the Company for such expenditures.

During 2022, CAVU issued flow-through shares for gross proceeds of $1,000,000 and recognized an initial liability for flow-through shares of $274,550, representative of the estimated premium received for these shares relative to their fair value. The $1,000,000 of flow-through financing was required to be incurred by December 31, 2023. At September 30, 2024 the premium liability associated with these shares has been recognized in income, on the basis that the expenditure requirement was required to be completed by December 31, 2023. In the event that regulatory authorities were to determine that some portion of these proceeds were not appropriately incurred, the Company could incur tax and interest charges corporately and in relation to the personal tax filings of the investors. Such amounts are not currently determinable.

During the year ended September 30, 2023, the Company issued 201,104 flow-through shares at $6.50 per share for gross proceeds of $1,307,174 and recognized a liability on flow-through shares of $301,656. At September 30, 2023, the Company had incurred $1,307,174 in qualified expenditures.

18. INCOME TAXES

The Company’s income tax provision differs from that which would be expected from applying the combined effective federal and provincial tax rate of 27% to the net loss before income taxes as follows:

	2024	**2023**
	$	**$**
Loss before income taxes	(5,438,300)	(2,449,700)
Total expected income tax recovery at statutory rates	(1,468,300)	(661,400)
Net effect of non-deductible amounts	(28,500)	(9,900)
Effect of flow-through amounts	-	211,600
True-up of prior year amounts	(41,600)	-
Unrecognized benefit of income tax losses	1,538,400	459,700
Actual income tax recovery	-	-

(Stated Amounts in Canadian dollars)

18. INCOME TAXES *(continued)*

As at September 30, 2024 and 2023 the amounts of deductible temporary differences for which no deferred tax assets were recognized, were as follows:

	2024	**2023**
	$	$
Non-capital loss carry-forwards	11,991,500	11,353,300
Share issue costs	227,900	345,500
Property, plant & equipment	22,400	24,700
Mineral properties	(237,100)	(5,417,400)
	12,004,700	6,306,100

The Company's non-capital loss carry-forwards expire according to the following schedule:

	Non-capital Losses
	$
2038	51,000
2039	143,400
2040	154,300
2041	889,100
2042	7,506,100
2043	2,609,400
2044	638,200
	11,991,500

These deferred tax assets have not been recognized because, at this stage of the Company's development, it is not determinable that future taxable profit will be available against which the Company can utilize such deferred tax assets. Accordingly, the potential future tax benefit has been offset entirely by a valuation allowance.

19. SUBSEQUENT EVENTS

Subsequent to the year ended September 30, 2024, 3,500 stock options priced at $8.10 expired on October 1, 2024 and 92,750 stock options priced at $6.70 expired on January 24, 2025.

On December 2, 2024, the Company closed a non-brokered private placement, issuing 4,499,999 Units at a price of $0.09 per Unit for gross proceeds of $405,000. Each Unit is comprised of one common share of the Company and one common share purchase warrant (the "Offering"). Each warrant is exercisable to acquire one common share of the Company at a price of $0.12 per share for a period of 24 months from the date of issuance.