Element79 Gold Corp.

Consolidated Financial Statements
For the Years Ended August 31, 2024 and August 31, 2023

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Element79 Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Element79 Gold Corp. (the "Company"), which comprise the consolidated statement of financial position as at August 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at August 31, 2024, the Company had cash of $3,216, current liabilities of $2,689,689 and has incurred accumulated losses of $23,665,141 since inception. As stated in Note 1, these events and conditions 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.

Other Matters

The consolidated financial statements of the Company for the year ended August 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on February 16, 2024.

As part of our audit of the consolidated financial statements of the Company for the year ended August 31, 2024, we also audited the adjustment described in Note 20 that was applied to restate the consolidated financial statements for the year ended August 31, 2023. In our opinion, the adjustment has been appropriately applied. We were not engaged to audit, review or apply any procedures to the consolidated financial statements of Company for the year ended August 31, 2023, other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the year ended August 31, 2023, taken as a whole.

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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 year ended. 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 the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 4 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $12,409,973 as of August 31, 2024. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter is that there was judgment made by management when assessing whether there were indicators of impairment, specifically relating to the properties' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these properties. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators in accordance with the applicable accounting standards.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements including reviewing option agreements and vouching cash payment and share issuance.
- Assessing the Company's rights to explore E&E Assets including confirmation request to optionor to ensure good standing of agreement.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 year 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 Catherine Tai.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

February 25, 2025

Element79 Gold Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at August 31, 2024	As at August 31, 2023 (restated – Note 20)
ASSETS		**$**	$
Current assets			
Cash		**3,216**	8,890
Amounts receivable		**60,522**	11,446
Prepaid expenses	6	**310,162**	98,500
Assets held for sale	7	**419,762**	3,135,532
Total current assets		**793,662**	3,254,368
Exploration and evaluation assets	4	**12,409,973**	13,357,020
Investments	5	**2,110,417**	1
Reclamation deposit	4	**11,764**	11,764
Deferred financing charges	8	**-**	423,538
TOTAL ASSETS		**15,325,816**	17,046,691
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	11	**826,744**	1,967,664
Due to related parties	13	**286,679**	627,898
Loans payable	9	**227,462**	3,129,060
Provisions – current	12	**1,348,804**	652,249
Total current liabilities		**2,689,689**	6,376,871
Convertible debenture	10	**-**	1,657,532
Provisions – long-term	12	**1,524,800**	2,557,204
TOTAL LIABILITIES		**4,214,489**	10,591,607
EQUITY			
Share capital	14	**33,926,407**	24,013,946
Treasury stock to be cancelled	14	**(31,680)**	(114,978)
Share subscription receivable		**(5,000)**	-
Share subscriptions received in advance	8,14	**-**	965,500
Obligation to issue shares	13	**141,183**	-
Contributed surplus	14	**598,211**	897,351
Equity component of convertible debenture	10	**-**	433,707
Accumulated other comprehensive income		**117,249**	117,249
Deficit		**(23,665,141)**	(19,857,691)
Total equity attributable to equity holders of the Company		**11,081,229**	6,455,084
Non-controlling interest	2, 21	**30,098**	-
TOTAL EQUITY		**11,111,327**	6,455,084
TOTAL EQUITY AND LIABILITIES		**15,325,816**	17,046,691

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 19)
Subsequent events (Note 23)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON FEBRUARY 25, 2025:

"Zara Kanji"	*"Neil Pettigrew"*
Zara Kanji	Neil Pettigrew

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

Element79 Gold Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		For the years ended	
	Notes	**August 31, 2024**	**August 31, 2023 (restated – Note 20)**
		$	$
Expenses			
Advisory fees		**70,524**	246,796
Consulting fees	13	**819,340**	1,750,880
Director fees	13	**130,342**	87,000
Exploration costs		**(17,601)**	71,207
Insurance		**28,237**	-
Investor relations and marketing		**690,980**	1,284,077
Management fees	13	**948,391**	160,694
Office expenses		**43,259**	110,340
Professional fees	13	**276,381**	354,369
Share based compensation	13, 14	**-**	63,462
Transfer agent, listing and filing fees		**66,160**	59,069
Operating expenses		**(3,056,013)**	(4,187,894)
Other items			
Accretion expense	10, 12	**(704,801)**	**(644,508)**
Gain/(loss) on settlement of debt	13, 14	**(2,150,607)**	**329,262**
Foreign exchange loss		**(16,952)**	**(39,289)**
Interest expense	8, 9, 10	**(445,913)**	**(180,302)**
Impairment of exploration and evaluations assets	4	**(1,572,751)**	**(7,570,927)**
Impairment of assets held for sale	7	**(1,305,825)**	-
Unrealized gain on revaluation investments	5	**1,476,636**	(2,041,633)
Gain/(loss)on sale of exploration and evaluation assets	4	**3,366,868**	-
Loss for the year		**(4,409,358)**	(14,335,291)
Attributable to:			
Equity holders of the parent		**(4,400,456)**	(14,335,291)
Non-controlling interests		**(8,902)**	-
Loss for the year		**(4,409,358)**	(14,335,291)
Other comprehensive loss			
Foreign currency translation		**-**	(87,661)
Comprehensive loss for the year		**(4,409,358)**	(14,422,952)
Attributable to:			
Equity holders of the parent		**(4,400,456)**	(14,422,952)
Non-controlling interests		**(8,902)**	-
Comprehensive loss for the year		**(4,409,358)**	**(14,422,952)**
Loss per share			
Basic and diluted		**(0.09)**	(1.45)
Weighted average number of common shares issued and outstanding – basic and diluted		**51,541,641**	9,868,175

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

Element79 Gold Corp.
Consolidated Statements of Cash Flows
For The Years Ended August 31, 2024 and 2023
(Expressed in Canadian dollars)

	August 31, 2024	August 31, 2023 (restated – Note 20)
	$	$
OPERATING ACTIVITIES		
Loss for the year	**(4,409,358)**	(14,335,291)
Non-cash items		
Accretion expense	**704,801**	644,508
Interest expense	**413,744**	177,786
Exchange loss	**287**	103,978
(Gain)/loss on settlement of debts	**2,150,607**	(329,262)
(Gain)/loss on sale of exploration and evaluation assets	**(3,366,868)**	2,041,633
Fair value gain on investment	**(1,476,636)**	-
Impairment of exploration and evaluation assets	**1,572,751**	7,570,927
Impairment of assets held for sale	**1,305,825**	-
Obligation to issue shares – management fees	**141,183**	-
Share-based payments	**-**	63,462
Changes in operating working capital:		
Prepaid expenses	**(211,662)**	(79,399)
Amounts receivable	**(49,076)**	76,642
Reclamation deposit	**-**	(11,764)
Trade payables and accrued liabilities	**745,707**	3,368,208
Due to related parties	**(7,219)**	-
Cash used in operating activities	**(2,485,914)**	(708,572)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	**(420,196)**	(630,998)
Repayment on provisions	**(62,501)**	-
Proceeds from sale of held for sale assets	**2,044,537**	(403,400)
Cash provided by (used in) investing activities	**1,561,840**	(1,034,398)
FINANCING ACTIVITIES		
Shares issued for private placements	**1,687,735**	-
Promissory notes and loans received	**379,848**	50,000
Loans repayment	**(612,741)**	(150,000)
Repayment of convertible debt	**(408,542)**	-
Interest paid	**(127,900)**	-
Share subscriptions received in advance	**-**	1,934,500
Cash provided by financing activities	**918,400**	1,834,500
Effect of foreign exchange translation	**-**	(87,661)
Change in cash	**(5,674)**	91,530
Cash, beginning of the year	**8,890**	5,021
Cash, end of the year	**3,216**	8,890

Supplemental cash flow information (Note 15)

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

Element79 Gold Corp.
Consolidated Statements of Changes in Equity
For The Years Ended August 31, 2024 and 2023
(Expressed in Canadian dollars)

	Number of common shares	Share capital	Treasury stock to be cancelled	Share subscriptions received in advance	Obligation to issue shares	Contributed surplus	Share subscription receivable	Equity component of convertible debenture	Foreign currency translation reserve	Non-controlling interest	Deficit (Restated – Note 20)	Total
	#	$	$	$	$	$	$	$	$	$	$	$
Balances, August 31, 2022	**7,345,286**	**19,836,469**	**-**	**1,670,000**	**-**	**908,007**	**-**	**-**	**204,910**	**-**	**(5,596,518)**	**17,022,868**
Shares issued against equity drawdown facility	3,270,000	2,639,000	-	(704,500)	-	-	-	-	-	-	-	**1,934,500**
Shares issued for settlement of debts	2,125,517	1,782,390	-	-	-	-	-	-	-	-	-	**1,782,390**
Shares issued for mineral properties	46,680	73,000	-	-	-	-	-	-	-	-	-	**73,000**
Share issuance costs	-	(316,913)	-	-	-	-	-	-	-		-	**(316,913)**
Stock options expired/forfeited	-	-	-	-	-	(74,118)	-	-	-	-	74,118	**-**
Treasury stock to be cancelled	-	-	(114,978)	-	-	-	-	-	-	-	-	(114,978)
Convertible debenture	-	-	-	-	-	-	-	433,707	-		-	**433,707**
Share-based compensation	-	-	-	-	-	63,462	-	-	-		-	**63,462**
Foreign currency translation reserve	-	-	-	-	-	-	-	-	(87,661)	-	-	**(87,661)**
Loss for the year	-	-	-	-	-	-	-	-	-		(14,335,291)	**(14,335,291)**
Balances, August 31, 2023 (restated – Note 20)	**12,787,483**	**24,013,946**	**(114,978)**	**965,500**	**-**	**897,351**	**-**	**433,707**	**117,249**	**-**	**(19,857,691)**	**6,455,084**
Shares issued against equity drawdown facility	9,006,956	965,500	-	(965,500)	-	-	-	-	-	-	-	**-**
Shares issued for private placement	10,359,952	1,705,043	-	-	-	56,507	(5,000)	-	-	-	-	**1,756,550**
Shares issued for debt settlement	17,115,057	4,183,208	-	-	-	-	-	-	-	-	-	**4,183,208**
Shares issued for services	3,340,000	334,000	-	-	-	-	-	-	-	-	-	**334,000**
Shares issued on convertible promissory note	27,227,400	2,722,740	-	-	-	-	-	(433,707)			433,707	**2,722,740**
Shares issued for mineral property	1,651,817	300,082	-	-	-	-	-	-	-	39,000	-	**339,082**
Shares returned to treasury	(87,682)	(83,298)	83,298	-	-	-	-	-	-	-	-	**-**
Share issuance costs	3,735,200	(423,538)	-	-	-	-	-	-	-	-	-	**(423,538)**
Stock options expired unexercised	-	-	-	-	-	(159,299)	-	-	-	-	159,299	**-**
Fair value of warrants granted	-	-	-	-	-	12,376	-	-	-	-	-	**12,376**
Fair value of warrants expired unexercised	-	208,724	-	-	-	(208,724)	-	-	-	-	-	**-**
Due to related parties (obligation to issue shares)	-	-	-	-	141,183	-	-	-	-	-	-	**141,183**
Loss for the year	-	-	-	-	-	-	-	-	-	(8,902)	(4,400,456)	**(4,409,358)**
Balances, August 31, 2024	**85,136,183**	**33,926,407**	**(31,680)**	**-**	**141,183**	**598,211**	**(5,000)**	**-**	**117,249**	**30,098**	**(23,665,141)**	**11,111,327**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Element79 Gold Corp. ("Element79" or the "Company") was incorporated under the Company Act (British Columbia) on February 27, 2020. Element79 is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in Peru, Canada and the United States of America. The Company is listed on the Canadian Stock Exchange ("the Exchange") with the trading symbol ELEM, on the OTC and OTCQB with a trading symbol ELMGF and on the Frankfurt Stock Exchange with the trading symbol 7YS.

The address of the Company's corporate office and principal place of business is Suite 1100, 1111 Melville Street, Vancouver B.C., V6E 3V6.

Going concern

These consolidated financial statements (the "Financial Statements") have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at August 31, 2024, the Company had cash of $3,216, current liabilities of $2,689,689 and has incurred accumulated losses of $23,665,141 since inception.

The Company is a mineral exploration company focusing on the acquisition and exploration and evaluation of mineral property interests. The Company's continuation as a going concern and the underlying value and recoverability of the carrying amounts for exploration and evaluation assets are entirely dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to raise equity capital or borrowings sufficient to meet current and future obligations and to complete the exploration and evaluation of mineral property interests, and achievement of future profitable production or proceeds from the disposition of its mineral property interests. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statements of financial position. These Financial Statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statement of the financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

These Financial Statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These Financial Statements are presented in Canadian dollars, except where otherwise indicated, and all values are rounded to the nearest dollar except per share values. The functional currency of the Company and its Canadian subsidiaries is the Canadian dollar. The functional currency of the Company's Peruvian subsidiaries is the Peruvian new sol, which is determined to be the currency of the primary economic environment in which the subsidiaries operate.

The Financial Statements were approved and authorized for issue by the directors of the Company on February 25, 2025.

Statement of Compliance and Presentation

These Financial Statements, including comparatives, have been prepared in accordance with accounting policies in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Consolidation

These Financial Statements include the accounts of the Company, and its subsidiaries of which it has control. All significant intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, have been eliminated. The Company's subsidiaries are as follows:

Subsidiary	Ownership Interest (2024)	Ownership Interest (2023)	Jurisdiction	Nature of Operations
Calipuy Resources Inc. ("Calipuy")	**100%**	100%	BC, Canada	Holding company
Calipuy Holdings Inc.	**100%**	100%	BC, Canada	Holding company
1316524 B.C. Ltd	**100%**	100%	BC, Canada	Inactive
Synergy Metals Inc. ("Synergy")	**83.68%**	100%	BC, Canada	Start-up
ELEM US Holdings LLC	**100%**	100%	NV, USA	Holding company
ELEM Maverick Springs LLC	**100%**	100%	NV, USA	Holding company
ELEM Battle Mountain LLC	**100%**	100%	NV, USA	Holding company
Compania Minera Calipuy S.A.C.	**100%**	100%	Peru	Holding company
Minas Lucero Del Sur S.A.C.	**100%**	100%	Peru	Mining and exploration

On June 28, 2022, the Company acquired all of the issued and outstanding common shares of Calipuy, which, through its subsidiaries, holds a 100% interest the Lucero mine, Machacala mine project and Urumalqui project.

Effective on February 18, 2023, the Company terminated its acquisition of interest in the Machacala mine project and Urumalqui project with the counterparties. Pursuant to the termination of these agreements, the Company will return 121,030 common shares to the treasury and return all shares of Minera Machacala S.A.C. and Compania Minera SFJ S.A.C., which were acquired through the acquisition of Calipuy to their former owners.

On December 1, 2023, Synergy issued 390,000 common shares pursuant to the acquisition of the Dale property. As a result, the Company's ownership interest in Synergy was reduced from 100% to 83.68%.

<u>Control</u>

The Company controls an investee if and only if the Company has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support the presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- the contractual arrangements with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Company's voting rights and potential voting rights

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year ended August 31, 2024 are included in the Financial Statements from the date the Company gains control until the date when the Company ceases to control the subsidiary.

2. BASIS OF PREPARATION (continued)

Consolidation (continued)

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated statement of loss and comprehensive loss and within equity in the consolidated statement of financial position and consolidated statement of changes in equity, separate from equity attributable to equity holders of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All inter-company assets, liabilities, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Significant Accounting Judgements and Estimates

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimates or assumptions are made. Actual results may differ from these estimates.

The information about significant areas of estimates considered by management in preparing the consolidated financial statements is as follows:

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining the point at which a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized into development assets. The determination may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year when new information becomes available.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the year for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Significant Accounting Judgements and Estimates (continued)

Exploration and evaluation expenditures (continued)

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next year.

Decommissioning and restoration costs

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the year incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Deferred income taxes

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future years.

Convertible debt conversion option

The identification of convertible debt components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent measurement of interest on the liability component. The determination of fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates, and the presence of any derivative financial instruments. Additionally, significant judgment is required when accounting for the redemption, conversion or modification of these instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Significant Accounting Judgements and Estimates (continued)

Stock options and warrants

Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Fair value of investments in securities not quoted in an active market

Where the fair values of financial instruments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Changes in estimates and assumptions about these inputs could affect the reported fair value.

The information about significant areas of judgment considered by management in preparing the Financial Statements is as follows:

i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
ii. assessing control and significant influence over an investee;
iii. the determination of the classification and measurements of assets held for sale;
iv. the determination of functional currency; and
v. the Company's assessment of its ability to continue as a going concern requires judgments about the Company's ability to execute its strategy by funding future working capital requirements (Note 1). The Company's objectives are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other stakeholders.

Exploration and evaluation properties

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.
Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs, provided that the Company has the intention of exercising the underlying option, and may consist of cash payments and/or share issuances at the market price of the Company's shares at the date of issuance.

Property option agreements are exercisable at the option of the optionee. Therefore, option payments are recorded when payment is made and not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits and grants received are recorded as a reduction to the cumulative costs.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation properties (continued)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset, and amortized over the life of the mine.

Assets held-for-sale

Non-current assets, or disposal comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposals, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to financial assets or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Foreign currencies

Transactions in currencies other than the functional currency, are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Foreign operations

Subsidiaries that have functional currencies other than the Canadian dollar translate their statement of operations items at the average rate during the year. Assets and liabilities are translated at exchange rates prevailing at the end of each reporting period. Exchange rate variations resulting from the retranslation at the closing rate of the net investment in these subsidiaries, together with differences between their statement of operations items translated at actual and average rates, are recognized in accumulated other comprehensive income (loss). On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange difference is recognized in the statement of operations.

Impairment of long-lived assets

The recoverability of long-lived assets is assessed when an event occurs that indicates impairment. Recoverability is based on factors such as future asset utilization and the future discounted cash flows expected to result from the use or sale of the related assets. An impairment loss is recognized in the year when it is determined that the carrying amount of the asset will not be recoverable. At that time, the carrying amount is written down to the recoverable amount, which equals the higher of fair value less costs to sell and value in use. Impairment losses are recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of long-lived assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Financial instruments

At initial recognition, financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). Financial assets are recognized initially at fair value, unless they are trade receivables that do not contain a significant financing component in accordance with IFRS 15, which shall be measured at their transaction price. The subsequent measurement of financial assets depends on their classification based on both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

Financial assets at amortized cost

The financial asset is subsequently measured at amortized cost if the financial asset is held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset.

Financial assets at FVTOCI

The financial asset is subsequently measured at FVTOCI if the financial asset is held within a business model whose objectives are achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding or if an irrevocable election was made for certain equity instruments at initial recognition. After initial recognition, the financial assets are measured at fair value with gains or losses recognized within other comprehensive income. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Transaction costs are included in the initial carrying amount of the asset.

Financial assets at FVTPL

A financial asset shall be measured at FVTPL if it is not measured at amortized cost or at FVTOCI. If the financial asset that would otherwise be measured at FVTPL is not acquired or incurred principally for the purpose of selling or repurchasing it in the near term, not part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or a derivative, the Company may make an irrevocable election at initial recognition to present subsequent fair value changes of the equity instrument in OCI. Transaction costs associated with financial assets at FVTPL are expensed as incurred. These assets are carried at fair value with gains or losses recognized in profit or loss.

Derivatives designed as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets

The Company shall recognize a loss allowance for expected credit losses on financial assets measured at amortized cost or FVTOCI, a lease receivable, a contract asset or a loan commitment. If the credit risk on the financial instrument has increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to the lifetime expected credit losses, otherwise, it shall be measured at an amount equal to the 12-month expected credit losses.

Financial liabilities

At initial recognition, financial liabilities are classified as financial liabilities measured at amortized cost unless they are financial liabilities at FVTPL (including derivatives that are liabilities). Financial liabilities are recognized initially at fair value. Transaction costs directly attributable to the issue of a financial liability are included in the initial carrying value of financial liabilities if they are not measured at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as follows:

Financial liabilities measured at amortized cost

Financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs.

Financial liabilities at FVTPL

Financial liabilities are carried at fair value with gains or losses recognized in net income (loss). Where the financial liability is designated as at FVTPL, only the amount of change in the fair value of the financial liability that is attributable to the changes in the credit risk of that liability shall be presented in OCI and the remaining amount of changes in fair value presented in profit or loss. Transaction costs on financial liabilities at FVTPL are expensed as incurred.

Convertible debentures

Convertible debentures are compound financial instruments that are recorded in part as a liability and in part as shareholders' equity. The Company uses the "residual valuation" method to determine the debt and equity components of the convertible debentures. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders' equity. Debentures payable is accreted to its face value at maturity over the term of the debt through a charge to operations.

De-recognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire or, the financial assets are transferred, and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss. Where a transfer does not result in a derecognition due to continuing involvement, the Company shall continue to recognize the transferred asset and recognize a financial liability of the consideration received.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the year incurred.

Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that they relate to items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital.

The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the issuance date of the unit offering and any residual remaining is allocated to common share purchase warrants. Subsequent to the initial recognition of warrants, any modification to the original terms of the warrants attached to units that were initially recognized in accordance with the residual value approach does not result in a re-measurement adjustment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Share-based compensation

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid. When options are forfeited or are not exercised at the expiry date, the amount previously recognized in share-based payments is transferred to accumulated losses (deficit).

Adoption of New Accounting Standards and New Accounting Pronouncements

The following amendments were adopted by the Company on August 1, 2024:

i. Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

ii. Definition of Accounting Estimates (Amendments to IAS 8) - the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

There was no impact on the Company’s consolidated financial statements upon the adoption of these amendments.

Issued but Not Yet Effective:

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 - Presentation and Disclosure in Financial Statements replaces IAS 1 - Presentation of Financial Statements. The standard will become effective January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on the Company’s consolidated financial statements.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation properties include the following amounts:

	Dale Property	Nevada Portfolio	Peruvian Properties	Total
ACQUISITION COSTS	**$**	**$**	**$**	**$**
Balance, August 31, 2022	**62,600**	**10,738,805**	**14,887,437**	**25,688,842**
Shares issued	33,000	-	40,000	73,000
Subsequent acquisition payment	-	2,000,000	-	2,000,000
Assets held for sale	(95,600)	(2,459,369)	-	(2,554,969)
Disposal	-	(1,929,019)	-	(1,929,019)
Termination	-	-	(3,230,972)	(3,230,972)
Impairment	-	(6,936,149)	(229,850)	(7,165,999)
Total Acquisition Costs at August 31, 2023	**-**	**1,414,268**	**11,466,615**	**12,880,883**
Shares issued	-	-	27,233	27,233
Cash consideration paid	-	-	27,204	27,204
Impairment		(1,414,268)		(1,414,268)
Balance, August 31, 2024	**-**	**-**	**11,521,052**	**11,521,052**
EXPLORATION AND EVALUATION COSTS				
Balance, August 31, 2022	**176,995**	**217,681**	**8,252**	**402,928**
Assaying and sampling	365	2,555	92	3,012
Claims maintenance fee	-	638,704	-	638,704
Exploration program	33,075	4,023	324,055	361,153
Field expenses	-	13,721	-	13,721
Environmental	-	744	-	744
Geological reports	21,765	-	-	21,765
Royalties	-	136,000	-	136,000
Assets held for sale	(232,200)	(348,363)	-	(580,563)
Disposal	-	(112,615)	-	(112,615)
Termination	-	-	(3,784)	(3,784)
Impairment	-	(404,928)	-	(404,928)
Total Exploration Costs at August 31, 2023	**-**	**147,522**	**328,615**	**476,137**
Exploration program	-	10,962	444,627	455,589
Claim maintenance fees	-	-	115,679	115,679
Impairment		(158,484)	-	(158,484)
Total Exploration Costs at August 31, 2024	**-**	**-**	**888,921**	**888,921**
Balance at August 31, 2024	**-**	**-**	**12,409,973**	**12,409,973**

Dale Property

The Company entered into a property option agreement, as amended, with Jean Marc Gaudreau ("Optionor") to acquire a 100% right, title and interest in and to 90 mineral claims located in Ontario, Canada subject to a Net Smelter Return ("NSR") royalty.

Pursuant to the property option agreement, as amended, in order to exercise the option, the Company must complete the following requirements:

a) Make aggregate cash payments of $126,000 as follows:

(i) $12,000 within 30 days of the date of the option agreement (paid)
(ii) $15,000 on or before December 23, 2023 (paid)
(iii) $48,000 on or before December 31, 2023 (paid)
(iv) $51,000 on or before December 31, 2024 (paid subsequent to the year ended August 31, 2024)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Dale Property (continued)

b) Issue a total of 20,000 common shares of the Company at a price of $0.50 per share within 180 days of the option agreement (issued).

c) Make aggregate share payments calculated at the price of the volume weighted average price (“VWAP”) of the 10 trading days prior to the issuance date:

(i) $30,000 on or before December 31, 2021 (issued 3,030 common shares)
(ii) $33,000 on or before December 31, 2022 (issued 21,680 common shares)
(iii) $36,000 on or before December 31, 2023 (issued 390,000 Synergy common shares including 30,000 as bonus shares)
(iv) $93,000 in Synergy common shares on or before December 31, 2024 (issued 930,000 Synergy common shares subsequent to the year ended August 31, 2024)

d) Execute and deliver to the Optionor on the date Company went public (delivered), the NSR Royalty granting the Optionor a 0.5% NSR royalty, subject to the right of the Company to re-purchase 100% of the NSR royalty for a total consideration of $525,000 at any time.

A pre-existing 1% NSR royalty to the benefit of Keystone Associates Inc. existed on the property prior to this agreement and is additional to the 0.5% NSR royalty required as part of Element79’s option to purchase.

In addition to the option agreement, the Company paid a finder’s fee by issuance of 8,000 common shares of the Company valued at $1,600 to a third party.

On July 17, 2023, the Company transferred all rights and data related to the Dale Property to its subsidiary, Synergy. The Company intends to spin out and sell Synergy through a Plan of Arrangement. As a result, Dale property with a cost of $327,800 was reclassified from exploration and evaluation assets to assets available for sale.

During the year ended August 31, 2024, the Company, through its subsidiary, Synergy, entered into a loan agreement with a third-party whereby the third-party loaned $200,000 to Synergy for startup capital, marketing fees, legal fees, listing fees and exploration of the Dale Property for the purposes of preparing for an amalgamation between the Synergy and the third-party. The loan shall be subject to an interest rate of 14% per annum with no payments due in the first calendar year. In year two onward, Synergy agrees to repay the loan amount, together with any accrued interest, in 12 equal consecutive installments of $20,000 each, payable on the fifteenth of each month, starting from a date yet to be determined.

The final installment shall include any remaining principal balance, accrued interest, and any outstanding fees or charges. In the event that either Synergy or the third-party are no longer working towards the proposed amalgamation then the entire loan amount, together with any accrued interest, and any outstanding fees or charges, shall become due on demand at the third party’s discretion (Note 9).

Nevada Portfolio

On December 17, 2021, the Company closed a securities exchange agreement (the "Securities Exchange Agreement") with 1316524 B.C. Ltd. ("Goldco"). Under the terms of the Securities Exchange Agreement, the Company has acquired all of the issued and outstanding shares of Goldco. Goldco, had previously entered into the asset purchase agreement with Clover Nevada LLC (“Clover”), a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman LP, and Maverick Springs Mining Company LLC, a wholly owned subsidiary of Clover, to acquire 100% of their rights, titles and interests in and to the Maverick Springs project and the Battle Mountain projects (the “Asset Purchase Agreement”). On December 23, 2021, the Company has fully closed on an asset purchase agreement acquiring the flagship Maverick Springs project and 15 additional projects that comprise the Battle Mountain portfolio, located in Nevada.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nevada Portfolio (continued)

Pursuant to the asset purchase agreement, the Company agreed to the following terms and payments:

(i) $500,000 deposit (advanced by Goldco)
(ii) $1,500,284 cash payment (paid)
(iii) Issuance of 509,573 common shares of the Company to the vendors (issued)
(iv) Issuance of Contingent Value Right ("CVR") to Waterton Nevada Splitter LLC ("Splitter LLC"), a subsidiary of Waterton.

Pursuant to the CVR, Splitter LLC is entitled to receive the following:

(i) Cash payment of $2,000,000 payable on the earlier of the occurrence of commercial production and the date that is 12 months following the closing of the asset purchase agreement. During the year ended August 31, 2023, the Company has worked with Waterton to create an alternate structure of the CVR. As part of the terms of the updated payment agreement, the final $2,000,000 milestone payment due will be converted into a two-year, zero-coupon debt facility with a conversion option at a price of $0.15 and a 10% default interest rate. Prepayment by the Company is possible with a 60-day advance notice and paid at a 10% premium to the principal amount remaining. During the year ended August 31, 2024, the Company made a cash payment of $2,000,000 and a 10% premium to the principal of $200,000 (Note 10).
(ii) Second payment of $284, in cash or common shares of the Company, on the date that is 18 months following the closing of the asset purchase agreement (prepaid by the Company concurrently with closing).
(iii) Security interest in Maverick Springs and the Battle Mountain portfolio, to be released upon completion of the payment under the CVR.

Splitter LLC has also entered into a voting support and lock-up agreement, pursuant to which it agrees to:

(i) Vote all shares of the Company it holds in accordance with the recommendations of the Company's management within 2 years from the closing date.
(ii) Retain 50% of the common shares of the Company issued to it pursuant to the asset purchase agreement for at least six months and the remaining 50% for at least 12 months after closing of the option agreement; and
(iii) Grant the Company a right of first offer in relation to the sale of any common shares of the Company held by Splitter LLC.

The Maverick Springs project is subject to a total NSR royalty of 7.4%, including 1.5% payable to Maverix Metals Inc.

The asset purchase agreement as it relates to the Battle Mountain portfolio and all 15 of its projects is made on an as-is, where-is basis, and accordingly does not disclose any NSR royalties or other royalties payable to any other party.

During the year ended August 31, 2023, the Company and Sun Silver Limited (formerly Green Power Minerals Pty Ltd. ("Sun Silver") entered into an option agreement, as amended, pursuant to which the Company granted Sun Silver an option to purchase the Maverick Springs Project for an option fee of $66,000 (paid). As at August 31, 2023, the Maverick Springs project with a cost of $1,511,448 was reclassified from exploration and evaluation assets to assets held for sale.

During the year ended August 31, 2024, Silver Springs exercised its option to purchase the Maverick Springs Project by paying the Company $4,400,000 less fees and expenses paid to third parties totaling $190,872 and issuing 3,500,000 ordinary shares in Sun Silver with a value of $633,780. The Company recognized a gain on sale of Maverick Springs project totaling $3,366,868.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nevada portfolio (continued)

During the year ended August 31, 2023, the Company started discussions with third parties regarding the sale of certain Battle Mountain portfolio projects. As a result, 597 claims with a cost of $3,337,918 were reclassified from exploration and evaluation assets to assets available for sale, of which 371 claims with a cost of $2,041,634 comprising of the Stargo and Long Peak projects were sold during the year as discussed below. As at August 31, 2023, the remaining balance in assets available for sale consist of 226 claims with the cost of $1,296,284. During the year ended August 31, 2024, the Company determined that the recoverable amount of the 226 claims is $Nil and therefore, recorded an impairment on assets held for sale totaling $1,305,825 (Note 7).

On July 13, 2023, the Company sold two Battle Mountain portfolio projects to Centra Mining (Nevada) LLC, a subsidiary of Centra Mining Ltd. ("Centra"). Under the terms of the Asset Purchase Agreement ("APA"), Centra purchased 371 claims comprising of the Stargo and Long Peak projects in the Battle Mountain Portfolio in exchange for 2,500,000 common shares of Centra with a value of $2,041,634 (Note 5).

During the year ended August 31, 2023, the Company determined not to pursue further exploration work on several properties within the Battle Mountain Portfolio; therefore, $7,341,077 of exploration and evaluation assets were written off.

During the year ended August 31, 2024, the Company has not renewed its West Whistler in Eureka County, Nevada and $601,746 of acquisition cost and exploration cost were written off. Subsequent to August 31, 2024, the Company received a notice from the United States Department of the Interior Bureau of Land Management ("BLM") stating that various claims, known as the Clover project, have been forfeited and that the claims have been staked by a third party. As a result, the Company wrote off the carrying value of the Clover project totalling $971,005 as at August 31, 2024.

Peruvian Properties

Lucero mine project

On December 21, 2020 (the "MLDS Closing Date"), the Company's subsidiary Calipuy entered into a share purchase agreement (the "MLDS Agreement") with Condor Resources Inc. ("Condor") to acquire all issued and outstanding shares of Minas Lucero Del Sur S.A.C ("MLDS"), a wholly owned subsidiary of Condor, which owns certain rights, titles and interests in and to the Lucero mine project in the District of Chacas in Peru.

Pursuant to the MLDS Agreement, as amended on December 18, 2024, the Company is obligated to make a total cash payment of US$2,065,000 (the MLDS Cash Payment) as follows:

- (i) On the MLDS Closing Date US$90,000 (paid - Cdn$115,704);
- (ii) On or before June 21, 2022 US$75,000 (paid - Cdn$97,688)*;
- (iii) On or before January 31, 2023 US$100,000 (paid – Cdn$133,500)*;
- (iv) On or before March 31, 2023 US$200,000 (paid – Cdn$269,900)*;
- (v) On or before December 21, 2023 US$500,000 (paid as outlined below)*; and
- (vi) On or before June 30, 2025 US$1,100,000*

In addition to the MLDS Cash Payment, the Company will make an additional cash payment of US$1,535,000 (the "MLDS Final Cash Payment") to Condor on or before December 31, 2026, in an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US$3,600,000*. Unless, the Company accelerates the MLDS Cash Payment and all such MLDS Cash Payment are made within thirty-six (36) months of the MLDS Closing Date. In which case, the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US$3,000,000.

* collectively the "MLDS Subsequent Cash Payment"

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Properties (continued)

The "MLDS Final Cash Payment is subject to the following:

(i) the price of gold averages not less than US$2,500 per ounce during the 30 days prior to the payment date of the MLDS Final Cash Payment, in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US$4,000,000; or
(ii) the price of gold averages not less than US$3,000 per ounce during the 30 days prior to the payment date of the MLDS Final Cash Payment, in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US$6,000,000.

Using a risk-adjusted discount rate of 12%, the fair value of the MLDS Subsequent Cash Payment was calculated as US$2,362,861 and recorded the provision at the MLDS Closing Date, which will be accreted to the face value during the term of the MLDS Subsequent Cash Payment. As at August 31, 2024, the book value of MLDS Subsequent Cash Payment has been accreted to $2,873,604 (August 31, 2023 - $3,209,453) (Note 12).

Pursuant to the MLDS Agreement, until the MLDS Subsequent Cash Payment is settled and subsequent to Calipuy receiving the first $550,000 proceeds from the future financings, Condor has the right but not the obligation to convert all or part of the outstanding MLDS Subsequent Cash Payment into Calipuy's common shares at a discounted price of 20% of the price offered in the future financing.

In addition, in connection with the acquisition of MLDS, the Company and Condor entered into a share pledge agreement (the "MLDS SP Agreement"). Pursuant to the MLDS SP Agreement, the shares of the MLDS are pledged to Condor as collateral for the MLDS (Note 5).

On December 20, 2022, the Company entered into an amendment agreement to reschedule the December 21, 2022 Subsequent Cash Payment of US$300,000 (paid) into two payments as outlined above. As a consideration for the rescheduled payments, the Company issued 25,000 common shares valued at $40,000 to Condor on December 21, 2022.

As per amendment dated December 19, 2023 and April 5, 2024, the Company and Condor have agreed to reschedule the US$500,000 MLDS Subsequent Cash Payment due on or before December 31, 2023, into two tranches.

(i) Twenty five percent of the payment (US$125,000) and bonus payable of US$12,500 was satisfied by the issuance of common shares of the Company (1,152,422 shares issued with a value of $185,217)
(ii) Balance of US$375,000 is due on or before March 31, 2024 which is further agreed to restructure on April 5, 2024 as follows:
- US$100,000 (paid – Cdn$136,500)
- US$85,000 (US$75,000 plus US$10,000 bonus) will be satisfied by the issuance of units comprising of one common share at $0.23 per common share and one warrant exercisable into one common share of the Company at $0.35 per common share for two years (499,413 units issued with a value of $114,865)
- US$200,000 to be paid on or before the closing of Element79's sale of their Maverick Springs project, which sale is expected to close before the end of June 2024 (paid – $272,042)
- In consideration of the restructure, Element79 paid an additional US$20,000 on or before the closing of Element79's sale of their Maverick Springs project (paid – $27,204)

All other terms remain unchanged.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Properties (continued)

Machacala mine project

On November 15, 2021 (the “Machacala Closing Date”), the Company completed a share purchase agreement (the “Machacala Agreement”) to acquire all issued and outstanding shares (the “Machacala Shares”) of Minera Machacala S.A.C. which owns certain rights, titles and interests in and to the Machacala mine project in the Department of La Libertad of Peru.

Pursuant to the Machacala Agreement, the Company had an obligation to make cash payments totaling $4,132,500 (the “Machacala Subsequent Payment”) over a period of five years.

The Company has an option to satisfy the Machacala Subsequent Payment by issuing the Company’s common shares equal to the payment amount determined using the fair value of the Company’s common shares on the date of issuance. Using a risk-adjusted discount rate of 12%, the fair value of the Machacala Subsequent Payment was calculated as $2,750,706 and recorded the provision at the Machacala Closing Date (Note 12), which will be accreted to the face value during the term of the Machacala Subsequent Payment.

The Machacala Agreement is subject to 1.5% net smelter return royalty interest (“NSR”) in all minerals processed and sold from Machacala project.

In connection with the acquisition of Machacala, the Company and the former shareholders of Machacala entered into a share pledge agreement (“Machacala SP Agreement”). Pursuant to the Machacala SP Agreement, the Machacala Shares are pledged to the former shareholders of Machacala as collateral for the Machacala Subsequent Payment and will be released upon the Machacala Subsequent Payment being settled.

The Machacala project was terminated during the year ended August 31, 2023 as discussed below.

Urumalqui project

On November 15, 2021 (the “SFJ Closing Date”), the Company completed a share purchase agreement (the “SFJ Agreement”) to acquire all issued and outstanding shares (the “SFJ Shares”) of Compania Minera SFJ SAC (“SFJ”) which owns certain rights, titles and interests in and to the Urumalqui project in the Department of La Libertad of Peru. Pursuant to the SFJ Agreement, the Company had an obligation to make cash payments totaling $217,500 (the “SFJ Subsequent Payment”) over a period of five years.

The Company had an option to satisfy the SFJ Subsequent Payment by issuing the Company’s common shares equal to the payment amount determined using the fair value of the Company’s common shares on the date of issuance. Using a risk-adjusted discount rate of 12%, the fair value of the SFJ Subsequent Payment was calculated as $144,774 and recorded the provision at the SFJ Closing Date (Note 12), which will be accreted to the face value during the term of the SFJ Subsequent Payment.

The SFJ Agreement is subject to 1.5% NSR in all minerals processed and sold from the Urumalqui project.

In connection with the acquisition of SFJ, the Company and the former shareholders of SFJ entered into a share pledge agreement (the “SFJ SP Agreement”). Pursuant to the SFJ SP Agreement, the SFJ Shares are pledged to the former shareholders of SFJ as collateral for the SFJ Subsequent Payment and will be released upon the SFJ Subsequent Payment is settled.

The Urumalqui project was terminated during the year ended August 31, 2023 as discussed below.

Termination of Machacala mine project and Urumalqui project

During the year ended August 31, 2023, the Company terminated its acquisition of interest in the Machacala mine project and Urumalqui project to mutual satisfaction with the counterparties.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Termination of Machacala mine project and Urumalqui project(continued)

Pursuant to the termination of these agreements, the Company will return 121,030 common shares to the treasury and return all shares of Minera Machacala S.A.C. and Compania Minera SFJ S.A.C., which were acquired through the acquisition of Calipuy, to their former owners. 87,683 common shares were returned during the year ended August 31, 2024.

As a result of the termination, the Company reduced the balance on its exploration and evaluation assets by $3,464,606, after recognizing an impairment loss of $229,850, reduced the balance on the provisions liabilities by $3,107,673 (Note 12), reduced the net liabilities of Minera Machacala S.A.C. and Compania Minera SFJ S.A.C on the termination date, and recognized the treasury stock to be cancelled at its fair value of $114,978 (Note 14).

Reclamation deposit

As at August 31, 2024, the reclamation deposit in the amount of $11,764 (August 31, 2023 – $11,764) is related to Battle Mountain portfolio projects and Maverick Springs project within the Nevada Portfolio.

5. INVESTMENTS

On July 13, 2023, the Company sold two Battle Mountain portfolio projects to Centra Mining (Nevada) LLC, a subsidiary of Centra Mining Ltd. ("Centra"). Under the terms of the Asset Purchase Agreement ("APA"), Centra purchased 371 unpatented claims comprising of the Stargo and Long Peak projects in the Battle Mountain Portfolio in exchange for 2,500,000 common shares of Centra (Note 4).

Upon the closing of APA, the Company held 2,500,000 common shares in Centra, representing 20% stake in the issued and outstanding shares of Centra valued at a nominal value of $1, resulting in a loss of sale of exploration and evaluation assets totaling $2,041,633. Considering that the Company does not have significant influence or control over Centra, the investment in Centra is classified as FVTPL pursuant to IFRS 9. The fair value of the Company's investment in Centra was $1 as at August 31, 2024 (August 31, 2023 - $1).

On May 8, 2024, the Company exercised the binding option agreement with Sun Silver for the closing of the sale of the Maverick Springs Project. As per the terms of the agreement, the Company has received 3,500,000 ordinary shares in Sun Silver with a value of $633,780. As at August 31, 2024, the fair value of the Company's investment in Sun Silver is determined to be $2,110,417, using the closing market price of Sun Silver shares on the Australian Securities Exchange. During the year ended August 31, 2024, the Company recorded an unrealized gain on revaluation of the Sun Silver investment totaling $1,476,636. Subsequent to the year ended August 31, 2024, in connection with the amended MLDS agreement effective on December 18, 2024 outlined in Note 4, the Company pledged 1,750,000 Sun Silver shares in favor of Condor as collateral.

6. PREPAID EXPENSES

	August 31, 2024 **$**	**August 31, 2023** **$**
Consulting fees	130,905	30,000
Rent and Storage	699	-
Legal	28,750	-
Marketing	61,817	67,500
Transfer agent and filing fees	5,435	-
Collateral – Nevada	68,000	-
Other prepayments to vendors	14,556	1,000
	310,162	98,500

(Expressed in Canadian dollars)

7. ASSETS HELD FOR SALE

As of August 31, 2024, the Dale property was classified as assets held for sale totaling $419,762 (August 31, 2023 - $3,135,532) (Note 4).

	Dale Property $	Maverick Springs, Nevada $	Battle Mountain project, Nevada $	Total $
Balance, August 31, 2022	-	-	-	-
Additions:	327,800	1,511,448	1,296,284	3,135,532
Balance, August 31, 2023	**327,800**	**1,511,448**	**1,296,284**	**3,135,532**
Changes:	91,962	-	9,541	101,503
Disposal:	-	(1,511,448)	-	(1,511,448)
Impairment	-	-	(1,305,825)	(1,305,825)
Balance, August 31, 2024	**419,762**	**-**	**-**	**419,762**

During the year ended August 31, 2024, the Company closed the sale of Maverick Springs to Sun Silver for a cash consideration of $4,400,000 less fees and extension payment to third parties totaling $190,872 and 3,500,000 common shares of Sun Silver Limited with a value of $633,780. The Company has recognized a gain on sale of mineral property interest by $3,366,868.

Subsequent to August 31, 2024, the Company received a notice from BLM stating that various claims within the Battle Mountain project have been forfeited and that the claims have been staked by a third party. As a result, the Company determined that the recoverable amount of the Battle Mountain project is $Nil and recorded an impairment on assets held for sale totaling $1,305,825.

8. EQUITY DRAWDOWN FACILITY

On September 14, 2020, the Company entered into a non-revolving Equity Drawdown Facility (the “Facility”) that allows the Company to utilize funding for an aggregate amount of $5,000,000. The Company can draw down funds from the Facility from time to time during the three-year term at the Company’s discretion by providing a notice (“Drawdown Notice”) to the investor Crescita Capital LLC (“Crescita” or “Investor”), and in return for each Drawdown Notice, the Company will allot and issue fully paid shares to the Investor in form of a “Private Placement”. The shares issued in connection with any Private Placement will be priced at the higher of (i) $0.05 and (ii) 90% of the volume-weighted average price of the shares for the ten trading days prior to the issue date of such shares.

In connection with the Facility, the Company paid a 3% commission in shares (300,000 common shares valued at $150,000) and issued 339,405 share purchase warrants, being 8.5% of the outstanding shares of the Company at the time of closing of the Facility. Each of the share purchase warrants can be exercised to purchase one common share of the Company at a price of $1.00 per share until October 1, 2023. The share purchase warrants have been valued at $208,724 using the Black-Scholes option pricing model with the following assumptions: risk-free rate of 0.25%, volatility of 100%, dividend yield of 0.00%, and expected life 3 years.

The value of the financing fees is recorded as a deferred financing charge and is being amortized as share issue costs based on the amount drawn down from the Facility.

On May 5, 2022, the Company received an increased equity drawdown facility commitment from the Investor from $5,000,000 to $10,000,000 (the “Amendment”). Additional financing is being made available pursuant to the Amendment dated May 5, 2022, to the original investment and advisory agreement with the Investor dated September 14, 2020.

8. EQUITY DRAWDOWN FACILITY (continued)

In addition to providing for the additional $5,000,000 equity drawdown commitment, the Amendment provides an additional requirement for the Company to make a top up payment to the Investor in the event that the volume weighted average price of the Company's common shares is less than the subscription price paid by the Investor for a particular drawdown in the 30 days following the drawdown and amends the fees payable to the Investor for

the second commitment. The Company paid an 8% financing fee to the Investor on the additional commitment satisfied by the issuance of 53,333 common shares of the Company valued at $464,000.

The value of the financing fees is recorded as a deferred financing charge to be amortized based on the amount drawn down from the Facility.

During the year ended August 31, 2024, the Company received $Nil (August 31, 2023 - $1,934,500) from the Facility, issued 9,006,956 common shares (August 31, 2023 – 327,000 common shares) and reserved $Nil (August 31, 2023 - $965,500) value of common shares for future issuance.

During the year ended August 31, 2024, the Facility expired resulting in the carrying amount of the deferred financing charges to be $Nil as at August 31, 2024. As at August 31, 2023, the carrying amount of the deferred financing charges was $423,538 and the share subscriptions received in advance total $965,500.

9. LOAN PAYABLE

In relation to the amendment of the equity drawdown facility agreement (Note 8), on July 18, 2022, the Company issued a convertible promissory note of $2,500,000 with an interest rate of 6% per annum to reflect the outstanding 2021 Funds (amounts advanced to the Company during the initial term of the Facility during 2021 and outstanding on July 18, 2022). $2,500,000 of the loan payable was assigned to new third-party lenders. During the year ended August 31, 2024, the Company repaid $2,722,740 with shares by issuing 27,227,400 common shares at $0.10 per share and accrued $54,658 (August 31, 2023 - $112,192) interest with respect to this promissory note. The total balance due, including accrued interest, as at August 31, 2024 was $Nil (August 31, 2023– $2,668,082).

On September 12, 2022, the Company borrowed a total of $544,420 from different lenders (the "Nevada Promissory Notes") to pay Nevada projects concessions totaling US$404,250 (US$363,495 for the Battle Mountain portfolio and US$40,755 for the Maverick Springs project). During the year ended August 31, 2024 the Company repaid $523,390 (August 31, 2023 - $150,000) of the promissory notes and accrued $110,497 as interest. The balance of the Nevada Promissory Notes as at August 31, 2024, was $Nil (August 31, 2023 - $408,192).

On May 10, 2023, the Company borrowed $50,000 from an arm's length party that is due on demand. Interest is payable at a rate of 18% per annum due on demand. During the year ended August 31, 2024, the Company repaid all amounts including accrued interest of $1,511 by issuing 556,568 common shares at $0.23 each in different months. As at August 31, 2024, the loan payable amount consists of $Nil (August 31, 2023 - $50,000) principal and $Nil (August 31, 2023 - $2,786) accrued interest.

On September 8, 2023, the Company completed a non-brokered financing of 145 corporate note units (each, a "Unit") at a price of $1,000 per Unit for gross proceeds of $145,000, of which $20,000 was received during the year ended August 31, 2023 and included in trade payables and accrued liabilities and the balance of $125,000 was received during year ended August 31, 2024. Each Unit is composed of (i) $1,000 in principal amount of an unsecured note (the "Note"), and (ii) 2,000 common share purchase warrants (each, a "Warrant"). Each warrant will be exercisable into a common share of the Company at a price of $0.50 per share for three years from issuance. The Notes bear interest at 18% simple interest per annum (calculated not in advance), have a maturity date of 24 months from issuance and will be open for prepayment after 60 days. For accounting purposes, the Units are compound instruments and the proceeds are required to be separated into their liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the Notes assuming a 18% discount rate, which was the estimated rate for a similar debenture without the equity component. The fair value of the equity component was determined at the time of issue as the difference between the face value of the Notes and the fair value of the liability component.

(Expressed in Canadian dollars)

9. LOAN PAYABLE (continued)

The fair value of the liability component is $132,624 and the equity component of $12,376 was allocated to reserves to account for the warrants contained within the Units. As at August 31, 2024, the loan payable amount consists of $Nil (August 31, 2023 - $Nil) principal and $Nil (August 31, 2023 - $Nil) accrued interest.

During the year ended August 31, 2024, the Company, through its subsidiary, Synergy, entered into a loan agreement with a third-party whereby the third-party loaned $200,000 to Synergy. The loan shall be subject to an interest rate of 14% per annum with no payments due in the first calendar year. As at August 31, 2024, the loan payable amount consists of $200,000 (August 31, 2023 - $Nil) principal and $27,462 (August 31, 2023 - $Nil) accrued interest (Note 4).

10. CONVERTIBLE DEBENTURE

During the year ended August 31, 2023, the Company issued a convertible debenture to Waterton as part of the terms of the updated payment agreement, the final $2,000,000 milestone payment (the "Debenture") (Note 4). The convertible debenture is a two-year, zero-coupon debt facility with convertibility options priced at $0.15 and a 10% default interest rate. Prepayment by the Company is possible with a 60-day advance notice and paid at a 10% premium to the principal amount remaining.

For accounting purposes, the Debenture was separated into its liability and equity components. The Company recorded the initial fair value of the debt component of the convertible debenture at $1,566,293, using a discount rate of 19%, which is management's estimate of the prevailing market rate for a company of similar size and operations. The equity component of $433,707 was determined at the time of issue as the difference between the face value of the Debenture and the fair value of the liability component. During the year ended August 31, 2024, the Company repaid $2,200,000 including 10% default interest and final settlement and the equity component has been transferred to deficit.

The unamortized discount on the convertible debenture as at August 31, 2024 was $Nil (August 31, 2023 - $342,468) and the carrying value of the debenture was $Nil (August 31, 2023 - $1,657,532). For the year ended August 31, 2024, the Company recorded an accretion expense of $354,844 (August 31, 2023 - $91,239).

11. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company's trade payables and accrued liabilities are principally comprised of amounts for administrative and exploration activities. These are broken down as follows:

As at	**August 31, 2024 $**	August 31, 2023 $
Trade payables	**689,525**	1,685,293
Accrued liabilities	**137,219**	282,371
Trade payables and accrued liabilities	**826,744**	1,967,664

(Expressed in Canadian dollars)

12. PROVISIONS

The Company has an obligation to settle the MLDS Subsequent Cash Payment, the Machacala Subsequent Payment and the SFJ Subsequent Payment. The fair value of the obligations was initially recognized as a discounted amount by using a risk-adjusted discount rate of 12%, which will be accreted to the face value during the term of the payments.

	MLDS $	Machacala $	Urumalqui $	Total $
As at August 31, 2022	**3,138,313**	**2,792,104**	**146,953**	**6,077,370**
Add: Accretion	384,653	160,185	8,431	553,269
Effect of movements in exchange rates	89,887	-	-	89,887
Less: Payment	(403,400)	-	-	(403,400)
Disposal	-	(2,952,289)	(155,384)	(3,107,673)
As at August 31, 2023	**3,209,453**	**-**	**-**	**3,209,453**
Add: Accretion	349,957	-	-	349,957
Effect of movements in exchange rates	(4,415)	-	-	(4,414)
Less: Payment	(681,391)	-	-	(681,391)
As at August 31, 2024	**2,873,604**	**-**	**-**	**2,873,604**
Current portion	1,348,804	-	-	1,348,804
Long-term portion	1,524,800	-	-	1,524,800

During the year ended August 31, 2024, the Company recognized $349,957 accretion expense (August 31, 2023 - $553,269) with a corresponding increase in the carrying value of the provisions. In February 2023, the Company terminated the acquisition agreement for the Machacala mine project and the Urumalqui project. As a result, the Company derecognized the provisions for the Machacala Subsequent Payment and the SFJ Subsequent Payment.

As of August 31, 2024, the carrying value of the provisions was $2,873,604 (August 31, 2023 – $3,209,453) of which $1,348,804 (August 31, 2023 - $652,249) was classified as a current liability.

13. RELATED PARTY TRANSACTIONS

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel compensation

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 that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

The remuneration of key management personnel for the year ended August 31, 2024 and August 31, 2023 as follows:

	August 31, 2024 $	August 31, 2023 $
Advisory fees	**-**	48,750
Consulting fees	**80,000**	548,818
Director and management fees	**1,078,733**	247,694
Professional fees	**46,302**	1,876
Rent	**-**	8,000
Share-based compensation	**-**	61,806
Total	**1,205,035**	916,944

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS (continued)

Amounts due to key management personnel

As at August 31, 2024, a total amount of $286,679 (August 31, 2023 - $627,898) was due to key management personnel. Related party balances have been broken out from Accounts payable in current year. This amount is non-interest bearing and due on demand.

	August 31, 2024	August 31, 2023
	$	$
Due to a company controlled by the CEO	**19,374**	128,410
Due to the spouse of the CEO	**9,617**	5,000
Due to a company controlled by the CFO	**11,045**	-
Due to former CFO	**-**	17,758
Due to a company controlled by the COO and former VP Global Exploration	**115,118**	236,941
Due to companies controlled by directors	**16,525**	219,951
Due to directors	**30,000**	-
Due to companies controlled by a former director	**85,000**	9,250
Due to the spouse of a former director	**-**	10,588
Total	**286,679**	627,898

Other related party transactions

On September 8, 2023, in connection with the non-brokered financing of 145 corporate note units, certain directors collectively subscribed to 120 units (Note 9) whereby the Company collectively issued 240,000 share purchase warrants to certain directors with an exercise price of $0.35 per warrant for a period of 3 years from the issue date, subject to acceleration clause (Note 14). During the year ended August 31, 2024, the Company repaid the notes in full (Note 9).

During the year ended August 31, 2024, the Company entered into debt settlement agreement with various former and current related parties to settle and aggregate debt of $1,117,854 (August 31, 2023 - $256,366) an issued 9,293,541 (August 31, 2023 – 260,780) common shares valued at $2,330,206 (August 31, 2023 - $255,569), resulting in a loss on settlement of debt of $1,212,352 (August 31, 2023 – $797 gain).

Obligation to issue shares: As of August 31, 2024, the Company is also liable to pay the management fees in shares of $40,000 to the CEO and $101,183 to the COO.

As at August 31, 2024, $200 was prepaid to a director for services.

14. SHARE CAPITAL

Authorized share capital

The Company has an authorized share capital of an unlimited number of common shares with no par value.

During the year ended August 31, 2024, the Company consolidated the issued share capital on the basis of ten (10) old common shares for one (1) new common share ("the Consolidation"). Outstanding stock options and warrants were adjusted by the Consolidation ratio. All common shares and per common share amounts in these Financial Statements have been retroactively restated to reflect the Consolidation.

As at August 31, 2024, the Company had 85,136,183 (August 31, 2023 – 12,787,483) common shares issued and outstanding.

14. SHARE CAPITAL (continued)

Share issuance

Share transactions for the year ended August 31, 2024

The Company issued an aggregate of 9,006,956 common shares valued at $965,000 to Crescita pursuant to the amended drawdown agreement (Note 8). In connection with the drawdown, deferred financing charge valued at $79,434 being amortized and classified as share issue costs.

In December 2023, the Company closed a private placement and issued 5,309,735 common shares valued at $0.113 for a gross consideration of $600,000. During March – July 2024, the Company issued 5,050,217 units valued at $0.23 for a gross consideration of $1,161,550, of which $5,000 is receivable as at August 31, 2024. Each unit is comprised of one common share of the Company and one common share purchase warrant (each a "Warrant"). Each Warrant is exercisable for one common share at a price of $0.35 per common share for two years from the date of issuance. Using the residual valuation method, the Company allocated $1,100,043 to share capital and $56,507 was allocated to contributed surplus as the fair value of the warrants. The Company also issued 3,735,200 shares as share issuance costs.

The Company issued 27,227,400 shares valued at $2,722,740 for convertible debt and recognized $423,538 as deferred financing charges.

The Company issued 3,340,000 shares for service of $334,000, no gain or loss as issued as part of the employment agreement.

The Company issued 1,152,422 common shares valued at $185,217 to Condor as part of the MLDS Subsequent Cash Payment as outlined in Note 4.

The Company issued 499,413 units valued at $114,865 for US$75,000 plus US$10,000 bonus payment to Condor as part of the MLDS Subsequent Cash Payment as outlined in Note 4. Each unit is comprised of one common share and one warrant exercisable into one common share of the Company at $0.35 per common share for two years from the date of issuance.

During the year ended August 31, 2024, 87,682 common shares were returned to treasury with a fair value of $83,298 as a result of the termination of Machacala mine project and Urumalqui project (Note 4).

During the year ended August 31, 2024, the Company entered into debt settlement agreements with various vendors to settle and aggregate debt of $2,032,951 and issued 17,115,057 common shares valued at $4,183,208 resulting in a loss on settlement of debt of $2,150,257 and loss of $350 related to previous year.

Share transactions for the year ended August 31, 2023

During the year ended August 31, 2023, the Company issued an aggregate of 3,270,000 common shares valued at $2,639,000 to Crescita pursuant to the amended drawdown agreement (Note 8). In connection with the drawdown, deferred financing charge valued at $316,913 were amortized and classified as share issue costs.

During the year ended August 31, 2023, the Company entered into debt settlement agreements with various vendors to settle debt of $2,111,652 and issued 2,125,517 common shares valued at $1,782,390, resulting in a gain on settlement of debt of $329,262.

On December 21, 2022, pursuant to the amendment to the MLDS agreement (Note 4), the Company issued 25,000 shares valued at $40,000 to Condor as a consideration in lieu of rescheduling the payments.

On January 6, 2023, the Company issued 21,680 common shares valued at $33,000 to the optionors of the Dale Property as part of the required option payment (Note 4).

(Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

Treasury stock to be cancelled

On February 18, 2023, 121,030 common shares were to be returned to treasury with a fair value of $114,978 as a result of the termination of Machacala mine project and Urumalqui project (Note 4). As of August 31, 2024 87,682 common shares were returned.

Escrow securities

Escrow securities are released over a period of 36 months from the date the Company was listed on a Canadian exchange. Of the initial Escrow securities, 10% were released on the date the Company's securities were listed on the Canadian Stock Exchange on August 3, 2021, and an additional 15% every six months following the completion of the first release.

As at August 31, 2024, Nil (August 31, 2023 – 130,185) common shares and Nil (August 31, 2023 - 86,250) share purchase warrants were held in escrow.

Share subscriptions received in advance

During the year ended August 31, 2024, the Company received $Nil (August 31, 2023 - $1,934,500) from the Facility, issued 9,006,956 common shares valued at $965,500 and reserved $Nil (August 31, 2023 - $965,500) value of common shares for future issuance.

Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, August 31, 2022 and August 31, 2023	**3,205,214**	0.40
Granted	5,839,630	0.35
Expired	(1,821,905)	0.10
Balance, August 31, 2024	**7,222,939**	0.44

As at August 31, 2024, the following warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date	Weighted average remaining contracted life (years)
1,000,000	0.35(3)	March 6, 2025	0.51
383,309	20.00	See below(1)	0.82
290,000(2)	0.35(4)	September 8, 2026	2.02
1,086,956	0.35	March 14, 2026	1.53
1,304,674	0.35	April 3, 2026	1.59
1,902,282	0.35	April 18, 2026	1.63
1,255,718	0.35	July 15, 2028	3.87
7,222,939			**1.82**

(1) Performance bonus warrants

(2) Share purchase warrants

(3) During the year ended August 31, 2024, the Company repriced the exercise price from $1.00 to $0.35

(4) During the year ended August 31, 2024, the Company repriced the exercise price from $0.50 to $0.35

(Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

Warrants (continued)

Performance warrants

On June 28, 2022, in connection with the acquisition of Calipuy, the Company granted 383,309 performance bonus warrants to acquire an aggregate of 383,309 common shares of the Company. Each performance bonus warrant is exercisable into one common share of the Company at an exercise price of $20.00 per share expiring on the earlier of (i) three years from the exercise eligibility date, subject to achievement of a bonus performance target that is tied to producing a minimum production target of 9,000 tons of ore yielding a minimum of 1,500 oz gold within a 30-day production period, and (ii) five years from the date of issuance of the performance warrants.

Stock options

The Company has an Omnibus Equity Incentive Plan (the "2022 Plan") that supersedes the 2020 rolling stock option plan. The 2022 Plan is a 10% rolling plan, pursuant to which a maximum of 10% of the issued and outstanding common shares of the Company, will be reserved for issuances as stock options, restricted share units, performance share units and deferred share units. The equity instruments granted under the 2022 Plan will be granted at the discretion of the Board of Directors and vest at the discretion of the Board of Directors. The options can be granted for a maximum term of ten years.

Transactions during the year ended August 31, 2024

During year ended August 31, 2024, 40,000 stock options expired unexercised due to the termination of a consulting agreement of the consultants and officers.

Transactions during the year ended August 31, 2023

On July 19, 2023, the Company granted stock options to certain directors and consultants of the Company to purchase an aggregate of 287,500 common shares of the Company at an exercise price of $0.50 per common share expiring July 19, 2026.

The fair value of these stock options was determined to be $63,462 using the Black-Scholes Option Pricing Model using the following assumptions:

Risk-free annual interest	4.04%
Expected volatility	159%
Expected life of option	3 years
Expected annual dividend	0%

The following table summarizes the continuity of the Company's stock options:

	August 31, 2024		August 31, 2023	
	Number of options	Weighted- average exercise price	Number of options	Weighted- average exercise price
		$		$
Outstanding, beginning	**462,500**	**2.13**	275,000	3.40
Granted	**-**	**-**	287,500	0.50
Expired/Cancelled	**(40,000)**	**5.45**	(100,000)	1.0
Outstanding, ending	**422,500**	**1.82**	462,500	2.13

(Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

Stock Options

The following table summarizes information regarding stock options outstanding and exercisable as at August 31, 2024:

Expiry date	Number of options outstanding and exercisable	Exercise price	Remaining life in years
November 20, 2025	55,000	$1.00	1.22
December 31, 2025	50,000	$1.00	1.33
October 26, 2026	25,000	$13.70	2.15
July 19, 2026	277,500	$0.50	1.88
February 2, 2027	15,000	$12.10	2.42
	422,500		1.77

During the year ended August 31, 2024, the Company expensed $Nil (August 31, 2023 - $63,462) relating to share-based compensation.

15. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended August 31, 2024 and August 31, 2023, the Company had the following non-cash investing and financing activity:

	Year ended	
	August 31, 2024	August 31, 2023
	$	$
Non-cash investing activities:		
Fair value of shares issued for exploration and evaluation assets	**66,233**	73,000
Fair value of shares issued for repayment on provisions	**272,849**	-
Issuance of convertible debentures for exploration and evaluation assets	**-**	2,000,000
Issuance of promissory notes for exploration and evaluation assets	**-**	544,101
Investment received for exploration and evaluation assets	**633,780**	-
Non-cash financing activities:		
Fair value of shares issued for debt settlements	**4,183,208**	1,782,390
Share subscription receivable	**5,000**	-
Shares issued to Crescita for previous year drawdown	**965,500**	-
Shares issued for services	**334,000**	-
Shares returned to treasury	**(83,298)**	-
Shares issued for convertible promissory note	**2,722,740**	-
Convertible debt paid by third party	**2,000,000**	-
Recognize deferred financing charge as share issuance costs	**423,538**	-
Residual value of warrants issued	**68,884**	-
Reallocation of expired warrants	**208,724**	-
Reallocation of options on cancelation	**159,299**	-
Exploration and evaluation in accounts payable	**178,276**	-

(Expressed in Canadian dollars)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

	Fair Value Hierarchy	August 31, 2024	August 31, 2023
		$	$
FINANCIAL ASSETS			
Financial assets, at amortized costs			
Cash	N/A	**3,216**	8,890
Amounts receivable	N/A	**60,522**	11,446
Reclamation deposit	N/A	**11,764**	11,764
Financial assets, at fair value through profit and loss			
Investment	Level 3	**1**	1
Investment	Level 1	**2,110,416**	-
Total financial assets		**2,185,919**	32,101
Other liabilities, at amortized cost			
Loans payable	N/A	**227,462**	3,129,060
Trade payables and accrued liabilities	N/A	**826,744**	1,967,664
Due to related parties		**286,679**	627,898
Convertible debenture	N/A	**-**	1,657,532
Provisions	N/A	**2,873,604**	3,209,453
Total financial liabilities		**4,214,489**	10,591,607

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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 and liabilities

Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability; and

Level 3 – Inputs that are not based on observable market data.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, amount receivable and trade payable, due to related parties and loan payable approximate fair value due to their short-term nature. The carrying value of reclamation deposit, convertible debenture and provisions approximates its fair value because the discount rate approximates market interest rate. The fair value of the Company's investments in Sun Silver (Note 5) was based on level 1 of the fair value hierarchy.

Within Level 3, the Company includes its investment in Centra which is a private company. The key assumptions used in the valuation of these instruments typically include (but are not limited to) company-specific information used in modelling, the valuation and share performance of comparable publicly-traded companies, trends in general market conditions, the value at which a recent financing was done by the investee, liquidation analysis and a strategic review. For investments valued based on trends in comparable entities, general market conditions and specific company information, the inputs used can be highly judgmental. It was concluded by management that the fair value of Company's investment in Centra was indeterminable but management believed that the fair value approximated a nominal value as at August 31, 2024 and August 31, 2023.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

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 manages liquidity risk by maintaining adequate cash and restricted cash balances. The Company continuously monitors both actual and forecasted cash flows and matches the maturity profile of financial assets and liabilities.

Market risk

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

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings that bear variable interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. This risk is considered minimal.

Foreign currency risk

The Company may be exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk.

Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities.

Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

As at August 31, 2024, the Company had a cash balance of $3,216 (August 31, 2023– $8,890) and amounts receivable of $60,522 (August 31, 2023 – $11,446) to settle current liabilities due in twelve months or less of $2,689,689 (August 31, 2023– $6,376,871) and carry out its planned exploration program in the coming year. Management seeks additional financing through the issuance of equity instruments to continue its operations.

(Expressed in Canadian dollars)

17. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to maintain an appropriate capital base in order to:

(i) Advance the Company's corporate strategies to create long-term value for its stakeholders;
(ii) Sustain the Company's operations and growth throughout metals and materials cycles; and
(iii) Ensure compliance with the covenants of any applicable credit facility and other financing facilities used from time to time.

The Company monitors its capital and capital structure on an ongoing basis to ensure it is sufficient to achieve the Company's short-term and long-term strategic objectives. Management primarily funds the Company's exploration by issuing share capital, rather than using other capital sources that require fixed repayments of principal and interest. Management closely monitors its cash balance. The balance of cash as at August 31, 2024, was $3,216 (August 31, 2023 – $8,890).

There are presently no formal capital requirements with which the Company has not complied.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes to capital management during the year ended August 31, 2024.

18. SEGMENTED INFORMATION

The Company’s business activity is exploration and development of exploration and evaluation properties carried out in Canada, Peru, and the United States of America.

August 31, 2024				
	Exploration and evaluation assets	**Deferred financing charges**	**Investments**	**Reclamation deposit**
	$	**$**	**$**	**$**
Canada	-	-	2,110,417	-
United States	-	-	-	11,764
Peru	12,409,973	-	-	-
Total	**12,409,973**	**-**	**2,110,417**	**11,764**

August 31, 2023				
	Exploration and evaluation assets	**Deferred financing charges**	**Investment**	**Reclamation deposit**
	$	**$**	**$**	**$**
Canada	-	423,538	1	-
United States	1,561,790	-	-	11,764
Peru	11,795,230	-	-	-
Total	**13,357,020**	**423,538**	**1**	**11,764**

19. COMMITMENTS AND CONTINGENCIES

During the year ended August 31, 2021, the Company signed a binding Letter of Intent (the “LOI”) to acquire 100% of the issued and outstanding shares in Plutus Gold Corp., which holds the option to acquire the Snowbird High-Grade Gold Project (“Snowbird Project”).

For the year ended August 31, 2024 and August 31, 2023, the Company expensed all exploration costs incurred on the Snowbird Project as the definitive agreement is yet to close.

(Expressed in Canadian dollars)

20. RESTATEMENT

During the preparation of the August 31, 2024 year end consolidated financial statements, the Company identified an error in the sale of the Battle Mountain portfolio project to Centra Mining Ltd during the 2023 fiscal year. The Company identified that a loss on sale of exploration and evaluation assets of $2,041,633 should have been recognized with the corresponding adjustment of $2,041,633 to Investment. The table below summarizes the restated consolidated financial statements for August 31, 2023:

	As previously reported $	Adjustments $	As restated $
Consolidated Statements of Financial Position			
Investment	2,041,634	(2,041,633)	1
Deficit	(17,816,058)	(2,041,633)	(19,857,691)
Consolidated Statements of Loss and Comprehensive Loss			
Other items:			
Loss on sale of exploration and evaluation assets	-	(2,041,633)	(2,041,633)
Loss for the year	(12,293,658)	(2,041,633)	(14,335,291)
Comprehensive loss for the year	(12,381,319)	(2,041,633)	(14,422,952)
Loss per share, basic and diluted	(1.25)	(0.21)	(1.46)
Consolidated Statements of Changes in Equity			
Loss for the year	(12,293,658)	(2,041,633)	(14,335,291)
Deficit	(17,816,058)	(2,041,633)	(19,857,691)
Total Equity	8,496,717	(2,041,633)	6,455,084
Consolidated Statements of Cash Flows			
Operating activities			
Loss for the year	(12,293,658)	(2,041,633)	(14,335,291)
Loss on sale of exploration and evaluation assets	-	2,041,633	2,041,633
Cash providing by operating activities	(708,572)	-	(708,572)

(Expressed in Canadian dollars)

21. NON-CONTROLLING INTEREST

The financial information of Synergy, the Company's only subsidiary that has a non-controlling interest is provided below. As at August 31, 2024, the Company has an 83.68% (August 31, 2023 - 100%) interest in Synergy and non-controlling stockholders have a 16.32% interest in Synergy (August 31, 2023 – Nil%).

Summary of Synergy's financial information	August 31, 2024 $	August 31, 2023 $
Current assets	421,908	97,442
Current liabilities	240,472	52,277
Net loss	(85,648)	(23,533)

The table below summarizes the movements of the non-controlling interest:

	August 31, 2024 $	August 31, 2023 $
Beginning balance	-	-
Addition	39,000	-
Net loss	(8,902)	-
Ending balance	30,098	-

22. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024 $	2023 $
Loss before income taxes	(4,409,358)	(14,335,291)
Expected income tax (recovery)	(1,191,000)	(3,870,000)
Change in statutory, foreign tax, foreign exchange rates	288,000	690,000
Permanent differences	385,000	(116,000)
Change in unrecognized deductible temporary	518,000	3,296,000
Total income tax expense (recovery)	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included in the consolidated statement of financial position are as follows:

	2024	Expiry Date Range	2023	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	6,709,000	No expiry date	6,730,000	No expiry date
Marketable securities (Investments)	565,000	No expiry date	2,042,000	No expiry date
Debt with accretion	820,000	No expiry date	475,000	No expiry date
Non-capital losses available for future period (Canada)	12,713,000	2040-2044	8,985,000	2040-2043

23. SUBSEQUENT EVENTS

Subsequent to the year ended August 31, 2024, the Company:

i. entered into debt settlement agreements with various vendors to settle $1,022,115 of debt and issued 7,862,421 shares, of which 1,359,669 common shares with a value of $176,757 were issued to related parties.

ii. closed a non-brokered private placement for aggregate gross proceeds of $500,024 and issued 5,000,240 units at a price of $0.10 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one share at an exercise price of $0.15 until November 14, 2026.

iii. granted 7,723,333 stock options with an exercise price of $0.15 per common share to directors, officers, management and consultants of the Company. The options will expire five years from the date of the grant. The Company also granted 362,200 options at an exercise price of $0.25 with a 12-month expiry period.

iv. amended the MLDS Agreement by increasing the cash payment from US$1,000,000 due on or before December 31, 2024 to US$1,100,000 due on or before June 30, 2025. As security the Company has pledged 1,750,000 Sun Silver shares in favour of Condor as collateral.

v. through its subsidiary, Synergy, received additional funds of $51,000 under the loan agreement with the third party whereby the third party has now loaned a total of $251,000 to Synergy. The loan shall be subject to an interest rate of 14% per annum with no payments due in the first calendar year.

vi. through its subsidiary, Synergy issued 930,000 Synergy common shares and paid $51,000 to the Dale Property Optionor.

vii. through its subsidiary, Synergy, amended the property option agreement whereby 1,320,000 Synergy common shares issued to the Optionor shall be exchanged for $129,000 as long as the Optionor effects transfer from the Optionor to Synergy on or before December 31, 2025.

viii. On January 10, 2025, the Company entered into an arrangement agreement and merger agreement with Synergy, 1515041 BC Ltd (“Synergy SubCo”) and 1425957 BC Ltd (“142”). As per the arrangement, the Company will distribute 1,000,000 out of 2,000,000 Synergy shares to the shareholders of the Company on a pro-rata basis (the “Spin-Out Arrangement”) and it will receive an additional 10,000 Synergy shares which will also be distributed to the Company shareholders. After the arrangement, the Company will maintain its business as a gold exploration company developing gold projects in Peru and the USA, while Synergy will be an exploration company focused on the Dale Property.

ix. On February 10, 2025, the Company entered into an investment and advisory agreement with Investor, that allows the Company to utilize funding for an aggregate amount of $5,000,000. The Company can draw down funds from the Facility from time to time during the three-year term at the Company’s discretion by providing a notice to the Investor, and in return for each Drawdown Notice, the Company will allot and issue fully paid shares to the Investor in form of a “Private Placement”. The Company also issued 10,062,500 shares at $0.04 for commitment fee and initial consulting fees of $402,500. The Company also granted 2,939,965 fee warrants with an exercise price of $0.05 per warrant exercisable within 5 years from the date of issue.