Element79 Gold Corp.

Interim Condensed Consolidated Financial Statements
For the Three Months Ended November 30, 2024, and 2023

(Expressed in Canadian dollars)

Notice of No Auditor Review of Interim Condensed Consolidated Financial Statements

The accompanying unaudited interim condensed consolidated financial statements have been prepared by management and approved by the Audit Committee.

The Company’s independent auditors have not performed a review of these interim condensed financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditors.

March 03, 2025

Element79 Gold Corp.
Interim Condensed Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Notes	As at November 30, 2024	As at August 31, 2024
ASSETS		**$**	$
Current assets			
Cash		**17,930**	3,216
Amounts receivable		**56,641**	60,522
Prepaid expenses	6	**437,935**	310,162
Assets held for sale	7	**441,916**	419,762
Total current assets		**954,422**	793,662
Exploration and evaluation assets	4	**12,514,424**	12,409,973
Investments	5	**2,326,840**	2,110,417
Reclamation deposit	4	**122,463**	11,764
TOTAL ASSETS		**15,918,149**	15,325,816
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	11	**714,691**	826,744
Due to related parties	13	**429,827**	286,679
Loans payable	9	**389,128**	227,462
Provisions – current	12	**1,397,500**	1,348,804
Total current liabilities		**2,931,146**	2,689,689
Provisions – long-term	12	**1,668,063**	1,524,800
TOTAL LIABILITIES		**4,599,209**	4,214,489
EQUITY			
Share capital	14	**35,188,612**	33,926,407
Treasury stock to be cancelled	14	**(31,680)**	(31,680)
Share subscription receivable		**(73,750)**	(5,000)
Obligation to issue shares	13	**85,816**	141,183
Contributed surplus	14	**1,600,196**	598,211
Accumulated other comprehensive income		**117,249**	117,249
Deficit		**(25,596,330)**	(23,665,141)
Total equity attributable to equity holders of the Company		**11,290,113**	11,081,229
Non-controlling interest	2, 20	**28,827**	30,098
TOTAL EQUITY		**11,318,940**	11,111,327
TOTAL EQUITY AND LIABILITIES		**15,918,149**	15,325,816

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 19)
Subsequent events (Note 21)

APPROVED ON BEHALF OF THE BOARD AND DIRECTORS ON March 03, 2025:

"Zara Kanji" — Zara Kanji

"Neil Pettigrew" — Neil Pettigrew

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

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

	Notes	For the Three months ended November 30, 2024	November 30, 2023
		$	$
Expenses			
Advisory fees		**228,855**	48,249
Consulting fees	13	**263,110**	190,370
Financing fees		**178,103**	-
Director fees	13	**24,120**	18,000
Exploration costs		**9,586**	-
Insurance		**2,025**	-
Investor relations and marketing		**166,115**	55,151
Management fees	13	**173,571**	91,025
Office expenses		**53,879**	8,129
Professional fees	13	**46,368**	43,546
Share based compensation	13, 14	**926,981**	-
Transfer agent, listing and filing fees		**30,007**	5,964
		(2,102,720)	(460,434)
Operating expenses			
Other items			
Accretion expense	10, 12	**(64,514)**	(165,154)
Gain/(loss) on settlement of debt	13, 14	**184,930**	**-**
Foreign exchange gain (loss)		**(137,438)**	(195)
Interest expense	8, 9, 10	**(29,141)**	(51,002)
Unrealized gain on revaluation investments	5	**216,423**	-
Loss for the year		**(1,932,460)**	(676,785)
Attributable to:			
Equity holders of the parent		**(1,931,189)**	(676,785)
Non-controlling interests		**(1,271)**	-
Loss for the period		**(1,932,460)**	(676,785)
Other comprehensive loss			
Foreign currency translation		**-**	16,965
Comprehensive loss for the period		**(1,932,460)**	(659,820)
Attributable to:			
Equity holders of the parent		**(1,931,189)**	(659,820)
Non-controlling interests		**(1,271)**	-
Comprehensive loss for the period		**(1,932,460)**	(659,820)
Loss per share			
Basic and diluted		**(0.02)**	(0.05)
Weighted average number of common shares issued and outstanding		**89,212,155**	12,845,951

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

Element79 Gold Corp.
Interim Condensed Consolidated Statements of Cash Flows
For The Three Months Ended November 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars)

	November 30, 2024	**November 30, 2023**
	$	$
OPERATING ACTIVITIES		
Loss for the period	**(1,932,460)**	(676,785)
Non-cash items		
Accretion expense	**64,514**	165,154
Interest expense	**29,141**	51,002
Financing fees	**187,009**	-
Share-based compensation	**926,981**	-
Exchange gain/loss	**127,445**	(173,728)
(Gain)/loss on settlement of debts	**(184,930)**	-
Fair value (gain)/loss on investment	**(216,423)**	-
Obligation to issue shares – management fees	**77,883**	-
Changes in operating working capital:		
Prepaid expenses	**(127,773)**	(30,472)
Amounts receivable	**3,881**	(8,210)
Asset held for sale	**-**	(29,700)
Reclamation deposit	**(110,699)**	-
Trade payables and accrued liabilities	**668,211**	633,711
Due to related parties	**143,148**	-
Cash provided by (used in) operating activities	**(344,072)**	(69,029)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	**(84,451)**	(256,574)
Assets held for sale	**(22,154)**	-
Cash used in investing activities	**(106,605)**	(256,574)
FINANCING ACTIVITIES		
Shares issued for private placements	**319,994**	-
Promissory notes and loans received	**186,927**	200,000
Loans repayment	**(41,430)**	125,000
Interest paid	**(100)**	-
Cash provided by (used in) financing activities	**465,391**	325,000
Effect of foreign exchange translation	**-**	16,965
Change in cash	**14,714**	(603)
Cash, beginning of the period	**3,216**	8,890
Cash, end of the period	**17,930**	25,252

Supplemental cash flow information (Note 15)

Element79 Gold Corp.
Interim Condensed Consolidated Statements of Changes in Equity
For The Three Months Ended November 30, 2024 and 2023
(Unaudited - 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	Total
	#	$	$	$	$	$	$	$	$	$	$	$
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)**	**8,496,717**
Shares issued against equity drawdown facility	351,956	100,000	-	(100,000)	-	-	-	-	-	-	-	**-**
Shares returned to treasury	(87,682)	(83,298)	83,298	-	-	-	-	-	-	-	-	**-**
Share issuance costs	-	(8,227)	-	-	-	-	-	-	-	-	-	**(8,227)**
Foreign currency translation reserve	-	-	-	-	-	-	-	-	16,965	-	-	**16,965**
Net Loss for the period	-	-	-	-	-	-	-	-	-	-	(676,785)	**(676,785)**
Balances, November 30, 2023	**13,051,756**	**24,022,421**	**31,680**	**865,500**	**-**	**897,351**	**-**	**433,707**	**134,214**	**-**	**(20,534,476)**	**7,828,670**
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**
Shares issued for private placement	3,976,500	322,646	-	-	-	66,098	(68,750)	-	-	-	-	**319,994**
Shares issued for debt settlement	6,164,344	616,435	-	-	-	-	-	-	-	-	-	**616,435**
Shares issued for financing fees	1,542,971	169,874	-	-	-	8,906	-	-	-	-	-	**178,780**
Shares issued for services	1,178,846	153,250	-	-	(133,250)	-	-	-	-	-	-	**20,000**
Fair value of options granted	-	-	-	-	-	926,981	-	-	-	-	-	**926,981**
Due to related parties (obligation to issue shares)	-	-	-	-	77,883	-	-	-	-	-	-	**(77,883)**
Loss for the period	-	-	-	-	-	-	-	-	-	(1,271)	(1,931,189)	**(1,932,460)**
Balances, November 30, 2024	**97,998,844**	**35,188,612**	**(31,680)**	**-**	**85,816**	**1,600,196**	**(73,750)**	**-**	**117,249**	**28,827**	**25,596,330**	**11,318,940**

The accompanying notes are an integral part of these interim condensed 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 and Canada. 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 unaudited interim condensed 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 November 30, 2024, the Company had cash of $17,930, current liabilities of $2,931,146 and has incurred accumulated losses of $25,596,330 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 statements 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 March 03, 2025.

Statement of Compliance and Presentation

These Financial Statements, including comparatives, have been prepared in accordance with accounting policies in compliance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These Financial Statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These Financial Statements do not contain all of the information required for full annual financial statements. Accordingly, these Financial Statements should be read in conjunction with the Company's August 31, 2024, annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

(Unaudited - 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 (November 30, 2024)	Ownership Interest (August 31, 2024)	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 December 1, 2023, Synergy issued 390,000 common shares pursuant to the acquisition of 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 three months period ended November 30, 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 expenditure is capitalized, information becomes available suggesting that the recovery of 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 recognized 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.

(Unaudited - Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation properties include the following amounts:

	Nevada Portfolio	Peruvian Properties	Total
ACQUISITION COSTS	**$**	**$**	**$**
Balance, 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)
Total Acquisition Costs at August 31, 2024 and November 30, 2024	**-**	**11,521,052**	**11,521,052**
Balance, 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**
Exploration program	-	104,451	104,451
Total Exploration Costs at November 30, 2024	**-**	**993,372**	**993,372**
Balance at November 30, 2024	**-**	**12,514,424**	**12,514,424**

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 period ended November 30, 2024)

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 period ended November 30, 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.

4. EXPLORATION AND EVALUATION ASSETS (continued)

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.

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).

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nevada Portfolio (continued)

(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 $155,463 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 $3,366,867.

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 $560,979 and therefore, recorded an impairment on assets held for sale totaling $744,846 (Note 7).

During the year ended August 31, 2024, the Company has decided not to renew its West Whistler project 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.

4. EXPLORATION AND EVALUATION ASSETS (continued)

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"

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 November 30, 2024, the book value of MLDS Subsequent Cash Payment has been accreted to $3,065,563 (August 31, 2024 - $2,873,604) (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).

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Properties (continued)

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.

Termination of Machacala mine project and Urumalqui project

Pursuant to the termination of Machacala Mine Project and Urumalqui Project during the year ended August 31, 2023, the Company will return 121,030 common shares with a fair value of $114,978 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 (Note 14) were returned during the year ended August 31, 2024.

Reclamation deposit

As at November 30, 2024, the reclamation deposit in the amount of $122,463 (August 31, 2024 – $11,764) is related to Battle Mountain portfolio projects and Maverick Springs project within 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.

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 $2,043,633. 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 November 30, 2024 (August 31, 2024 - $1).

(Unaudited - Expressed in Canadian dollars)

5. INVESTMENTS (continued)

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 November 30, 2024, the fair value of the Company's investment in Sun Silver is determined to be $2,326,840 (August 31, 2024 - $2,110,417) using the closing market price of Sun Silver shares on the Australian Securities Exchange. During the period ended November 30, 2024, the Company recorded an unrealized gain on revaluation of the Sun Silver investment totaling $216,423 (November 30, 2023 - $Nil). Subsequent to the period ended November 30, 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

	November 30, 2024 $	August 31, 2024 $
Consulting fees	146,896	130,905
Rent and Storage	-	699
Legal	31,002	28,750
Marketing	148,260	61,817
Transfer agent and filing fees	15,202	5,435
Collateral – Nevada	68,000	68,000
Other prepayments to vendors	28,575	14,556
	437,935	310,162

7. ASSETS HELD FOR SALE

As of November 30, 2024, Dale property, certain Battle Mountain portfolio projects were classified as assets held for sale totaling $441,916 (August 31, 2024 - $419,762) (Note 4).

	Dale Property $	Maverick Springs, Nevada $	Battle Mountain project, Nevada $	Total $
Balance, August 31, 2023	**327,800**	**1,511,448**	**1,296,284**	**3,135,532**
Changes:	91,960	-	9,541	101,501
Disposal:	-	(1,511,448)	-	(1,511,448)
Impairment	-	-	(1,305,825)	(1,305,825)
Balance, August 31, 2024	**419,762**	-	-	**419,762**
Changes:	22,154	-	-	22,156
Balance, November 30, 2024	**441,916**	-	-	**441,916**

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 November 30, 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 during the year ended August 31, 2024.

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 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").

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 from the Facility, issued 9,006,956 common shares and reserved $Nil value of common shares for future issuance.

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 in full $2,722,740 with shares by issuing 27,227,397 common shares at $0.10 per share and accrued $54,658 interest with respect to this promissory note. The total balance due, including accrued interest, as at November 30, 2024 was $Nil (August 31, 2024– $Nil).

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 Battle Mountain portfolio and US$40,755 for Maverick Springs project). During the year ended August 31, 2024 the Company repaid in full $523,390 of the promissory notes and accrued $110,497 as interest. The balance of the Nevada Promissory Notes as at November 30, 2024, was $Nil (August 31, 2024 - $Nil).

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. The balance of the Nevada Promissory Notes as at November 30, 2024, was $Nil (August 31, 2024 - $Nil).

9. LOAN PAYABLE (continued)

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 $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. 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 November 30, 2024, the loan payable amount consists of $Nil (August 31, 2024 - $Nil) principal and $Nil (August 31, 2024 - $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 November 30, 2024, the loan payable amount consists of $200,000 (August 31, 2024 - $200,000) principal and $35,402 (August 31, 2024 - $27,462) accrued interest (Note 4).

During the period ended November 30, 2024, the Company entered into a loan agreement with a third-party whereby the Company received US$50,000 repayable on or before December 1, 2024 ("Maturity Date"). Pursuant to the agreement, the Company must pay a fee of US$50,000 in common shares of the Company payable during the next capital raise (the "Fee"). Effective December 2, 2024, if the loan is not repaid by the Maturity Date, the third-party will be granted a 0.15% NSR on the Lucero mine project and the unpaid balance will accrue 12% per annum interest. The interest will be payable in common shares of the Company. The Company shall have the right to buy back the 0.15% NSR at any time for a price of $150,000. During the period ended November 30, 2024, the Company issued 519,231 common shares at $0.13 per share in connection with the Fee (Note 12). As of November 30, 2024 the loan payable to MFD consists of US$50,000 (August 31, 2024 - $Nil) principal.

During the period ended November 30, 2024, the Company entered into a loan agreement with a third-party whereby the Company received US$37,955 repayable on or before May 31, 2025 and secured with the Company's assets until the loan is repaid. Pursuant to the agreement, the Company must pay a fee of US$37,955 in common shares of the Company payable during the next capital raise (the "Fee"). On November 14, 2024, the Company issued 530,000 units at $0.10 per share in connection with the Fee. (Note 12). As at November 30, 2024, the loan payable amount consists of $24,680 (August 31, 2024 - $Nil) principal.

During the period ended November 30, 2024, the Company entered into an agreement, as amended, with a third-party whereby the Company received $41,145 repayable on or before June 30, 2025. Pursuant to the agreement, the Company shall pay a fee of $8,229 and an additional fee of US$49,374 payable in common shares of the Company during the next capital raise (the "Fee"). If the loan is not repaid by June 30, 2025, the third-party will be repaid either partially or wholly in common shares of the Company. On November 14, 2024, the Company issued 493,740 units at $0.10 per share in connection with the Fee (Note 12). As at November 30, 2024, the loan payable amount consists of $41,145 (August 31, 2024 - $Nil) principal and $8,229 (August 31, 2024 - $Nil) accrued financing fee.

During the period ended November 30, 2024, the Company received $25,000 from a third-party and repaid $25,100 which includes accrued interest of $100.

(Unaudited - Expressed in Canadian dollars)

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 November 30, 2024 was $Nil (August 31, 2024 - $Nil) and the carrying value of the debenture was $Nil (August 31, 2024 - $Nil). For the three months period ended November 30, 2024, the Company recorded an accretion expense of $Nil (August 31, 2024 - $354,844).

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	**November 30, 2024 $**	August 31, 2024 $
Trade payables	**698,774**	689,525
Accrued liabilities	**15,917**	137,219
Trade payables and accrued liabilities	**714,691**	826,744

12. PROVISIONS

The Company has an obligation to settle the MLDS Subsequent Cash 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 $	**Total $**
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**
Add: Accretion	64,514	64,514
Effect of movements in exchange rates	127,445	127,445
As at November 30, 2024	**3,065,563**	**3,065,563**
Current portion	1,397,500	1,397,500
Long-term portion	1,668,063	1,668,063

(Unaudited - Expressed in Canadian dollars)

12. PROVISIONS (continued)

During the three months period ended November 30, 2024, the Company recognized $64,514 accretion expense (August 31, 2024 - $349,957) with a corresponding increase in the carrying value of the provisions.

As of November 30, 2024, the carrying value of the provisions was $3,065,563 (August 31, 2024 – $2,873,604) of which $1,397,500 (August 31, 2024 - $1,348,804) 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 three months period ended November 30, 2024 and November 30, 2023 as follows:

	November 30, 2024	November 30, 2023
	$	$
Accounting fees	**12,984**	5,000
Consulting fees	**17,000**	124,600
Director and management fees	**197,691**	80,250
Share based compensation	**700,051**	-
Total	**927,726**	209,850

Amounts due to key management personnel

As at November 30, 2024, a total amount of $429,827 (August 31, 2024 - $286,679) 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.

	November 30, 2024	August 31, 2024
	$	$
Due to a company controlled by the CEO	**141,891**	19,374
Due to the spouse of the CEO	**9,617**	9,617
Due to a company controlled by the CFO	**3,130**	11,045
Due to a company controlled by the COO and former VP Global Exploration	**150,732**	115,118
Due to company controlled by company secretary	**5,649**	-
Due to companies controlled by directors	**9,808**	46,525
Due to companies controlled by a former director	**109,000**	85,000
Total	**429,827**	286,679

13. RELATED PARTY TRANSACTIONS (continued)

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 $0.50 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 period ended November 30, 2024, the Company entered into debt settlement agreement with various former and current related parties to settle and aggregate debt of $69,507 (August 31, 2024 - $1,117,854) an issued 534,668 (August 31, 2024 – 9,293,541) common shares valued at $53,467 (August 31, 2024 - $2,330,206), resulting in a gain on settlement of debt of $16,040 (August 31, 2024 – $1,212,352 loss). Also, during the period ended November 30, 2024, the Company issued 1,025,000 shares at a price of $0.13 for the management fees payable of $32,000 to the CEO and $101,250 to the COO for their services.

Obligation to issue shares: As of November 30, 2024, the Company is also liable to pay the management fees in shares of $22,735 (August 31, 2024 - $40,000) to the CEO and $63,082 (August 31, 2024 - $101,183) to the COO.

As at November 30, 2024 $6,000 (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 November 30, 2024, the Company had 97,998,844 (August 31, 2024 – 85,136,183) common shares issued and outstanding.

Share issuance

Share transactions for the period ended November 30, 2024

In November 2024, the Company closed a private placement and issued 3,976,500 common shares valued at $0.10 for a gross consideration of $388,744 of which $68,750 is receivable as at November 30, 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 $0.15 per common share for two years from the date of issuance. Using the residual valuation method, the Company allocated $322,646 to share capital and $66,098 was allocated to contributed surplus as the fair value of the warrants.

The Company issued 1,178,846 shares for service of $153,250, no gain or loss as issued as part of the service agreement.

The Company issued 1,542,971 shares valued at $169,874 for fees paid pursuant to loan agreements and recognized full amount as financing charges. The company also issued 1,023,740 warrant valued at $8,906 where each warrant is exercisable for one common share at a price of $0.15 per common share for two years from the date of issuance.

During the period ended November 30, 2024, the Company entered into debt settlement agreements with various vendors to settle and aggregate debt of $801,365 and issued 6,164,344 common shares valued at $616,435 resulting in a loss on settlement of debt of $184,930.

14. SHARE CAPITAL (continued)

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 27,227,397 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 to settle debt of $334,000 valued at $601,200 and recognized loss on settlement of debt of $267,200.

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.

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 November 30, 2024 87,682 common shares were returned.

Share subscriptions received in advance

During the three months period ended November 30, 2024, the Company received $Nil (August 31, 2024 -$Nil) from the Facility, issued Nil (August 31, 2024 - 9,006,956) common shares valued at $Nil(August 31 2024 - $965,500) and reserved $Nil (August 31, 2024 - $Nil) value of common shares for future issuance.

(Unaudited - Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

Warrants

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

	Number of warrants	Weighted average exercise price $
Balance, August 31, 2023	**3,205,214**	.40
Granted	5,839,630	0.35
Expired	(1,821,905)	0.10
Balance, August 31, 2024	**7,222,939**	0.44
Granted	5,000,240	0.25
Balance, November 30, 2024	**12,223,179**	0.31

As at November 30, 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	0.26
383,309	20.00	See below(1)	0.58
290,000(2)	0.35(4)	September 8, 2026	1.77
1,086,956	0.35	March 14, 2026	1.28
1,304,674	0.35	April 3, 2026	1.34
1,902,282	0.35	April 18, 2026	1.38
1,255,718	0.35	July 15, 2028	3.62
5,000,240	0.15	November 14, 2026	1.96
12,223,179			**0.93**

(1) Performance bonus warrants

(2) Share purchase warrants

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

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

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 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.

(Unaudited - Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

Stock options (continued)

Transactions during the period ended November 30, 2024

On October 4, 2024, 7,723,333 stock options granted to the directors, officers and consultants. The fair value of these stock options was determined to be $887,805 using the Black-Scholes Option Pricing Model using the following assumptions:

Risk-free annual interest	2.86%
Expected volatility	211.62%
Expected life of option	4 years
Expected annual dividend	0%

Also, on October 4, 2024, 362,200 stock options granted to the advisor. The fair value of these stock options was determined to be $39,176 using the Black-Scholes Option Pricing Model using the following assumptions:

Risk-free annual interest	4.05%
Expected volatility	301.69%
Expected life of option	1 years
Expected annual dividend	0%

Transactions during the year ended August 31, 2024

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

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

	November 30, 2024		August 31, 2024	
	Number of options	Weighted- average exercise price	Number of options	Weighted- average exercise price
		$		$
Outstanding, beginning	**422,500**	**1.82**	462,500	2.13
Granted	**8,085,533**	**0.15**	-	-
Expired/Cancelled	**-**	**-**	(40,000)	5.45
Outstanding, ending	**8,508,033**	**0.24**	422,500	1.82

Stock Options

The following table summarizes information regarding stock options outstanding and exercisable as at November 30, 2024:

Expiry date	**Number of options outstanding and exercisable**	**Exercise price**	**Remaining life in years**
October 4, 2025	362,200	$ 0.25	0.84
November 20, 2025	55,000	$ 1.00	0.97
December 31, 2025	50,000	$ 1.00	1.08
October 26, 2026	25,000	$ 1.00	1.90
July 19, 2026	277,500	$ 0.50	1.63
February 2, 2027	15,000	$ 12.10	2.18
October 4, 2028	7,723,333	$ 0.15	3.85
	8,508,033		3.85

(Unaudited - Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

Stock Options (continued)

During the three months period ended November 30, 2024, the Company expensed $926,981 (August 31, 2024 - $Nil) relating to share-based compensation.

15. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months period ended November 30, 2024 and August 31, 2024, the Company had the following non-cash investing and financing activity:

	Period ended	
	November 30, 2024	November 30, 2023
	$	$
Non-cash investing activities:		
Fair value of shares issued for exploration and evaluation assets	**20,000**	83,298
Non-cash financing activities:		
Fair value of shares issued for debt settlements	**616,435**	-
Share subscription receivable	**68,750**	-
Shares issued for services	**153 ,250**	-
Residual value of warrants issued	**75,004**	-
Fair value of stock options granted	**926,981**	**-**

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

	Fair Value Hierarchy	**November 30, 2024**	**August 31, 2024**
		$	**$**
FINANCIAL ASSETS			
Financial assets, at amortized costs			
Cash	N/A	**17,930**	3,216
Amounts receivable	N/A	**56,641**	60,522
Reclamation deposit	N/A	**122,463**	11,764
Financial assets, at fair value through profit and loss			
Investment	Level 3	**1**	1
Investment	Level 1	**2,326,839**	2,110,416
Total financial assets		**2,523,874**	2,185,919
Other liabilities, at amortized cost			
Loans payable	N/A	**389,128**	227,462
Trade payables and accrued liabilities	N/A	**714,691**	826,744
Due to related parties		**429,827**	286,679
Provisions	N/A	**3,065,563**	2,873,604
Total financial liabilities		**4,599,209**	4,214,489

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:

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 November 30, 2024 and August 31, 2024.

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.

(Unaudited - Expressed in Canadian dollars)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 November 30, 2024, the Company had a cash balance of $17,930 (August 31, 2024– $3,216) and amounts receivable of $56,641 (August 31, 2024 – $60,522) to settle current liabilities due in twelve months or less of $2,931,146 (August 31, 2024– $2,689,689) 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.

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 November 30, 2024, was $17,930 (August 31, 2024 – $3,216).

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 three months period ended November 30, 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.

	November 30, 2024		
	Exploration and evaluation assets	**Investments**	**Reclamation deposit**
	$	**$**	**$**
Canada	-	2,326,840	-
United States	-	-	122,463
Peru	12,514,424	-	-
Total	**12,514,424**	**2,326,840**	**122,463**

(Unaudited - Expressed in Canadian dollars)

18. SEGMENTED INFORMATION (continued)

August 31, 2024			
	Exploration and evaluation assets	**Investment**	**Reclamation deposit**
	$	**$**	**$**
Canada	-	2,110,417	-
United States	-	-	11,764
Peru	12,409,973	-	-
Total	**12,409,973**	**2,110,417**	**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 period ended November 30, 2024 and August 31, 2024, the Company expensed all exploration costs incurred on the Snowbird Project as the definitive agreement is yet to close.

20. NON-CONTROLLING INTEREST

The financial information of Synergy, the Company's only subsidiary that has anon-controlling interest is provided below. As at November 30, 2024, the Company has 83.68% (August 31, 2024- 83.68%) interest in Synergy and non-controlling stockholders have 16.32% in Synergy (August 31, 2024 – 16.32%).

Summary of Synergy's financial information	November 30, 2024 $	August 31, 2024 $
Current assets	444,062	421,908
Current liabilities	248,412	240,472
Net loss	7,943	(85,648)

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

	November 30, 2024 $	August 31, 2024 $
Beginning balance	30,098	-
Addition	-	39,000
Net loss	(1,271)	(8,902)
Ending balance	28,827	30,098

21. SUBSEQUENT EVENTS

Subsequent to the peirod ended November 30, 2024, the Company:

i. 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 June30, 2025. As security the Company has pledged 1,750,000 Sun Silver shares in favour of Condor as collateral.

ii. 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.

21. SUBSEQUENT EVENTS (continued)

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

iv. 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 cash as long as the Optionor effects transfer from the Optionor to Synergy on or before December 31, 2025.

v. 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.

vi. 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.