Affinity Metals Corp.

Financial Statements

Year Ended June 30, 2024

(Expressed in Canadian Dollars)

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

dmcl.ca

Independent Auditor's Report

To the Shareholders of Affinity Metals Corp.

Opinion

We have audited the financial statements of Affinity Metals Corp. (the "Company"), which comprise the statements of financial position as at June 30, 2024 and 2023, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $579,389 during the year ended June 30, 2024 and, as of that date, the Company's current liabilities exceed its current assets by $731,315. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Vancouver
1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey
200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities
700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria
320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

October 28, 2024

Affinity Metals Corp.
Statements of Financial Position
As at June 30
(Expressed in Canadian Dollars)

	Note		June 30, 2024		June 30, 2023
ASSETS					
Current assets					
Cash and cash equivalents	2	$	74,051	$	104,239
Marketable securities	4, 12		140,983		124,077
GST receivable			4,856		4,880
Prepaid expenses			362		429
			220,252		233,625
Non-current assets					
Exploration and evaluation assets	5		1,876,577		1,890,198
TOTAL ASSETS		**$**	**2,096,829**	**$**	**2,123,823**
LIABILITIES					
Current Liabilities					
Trade payables and accrued liabilities	6, 12	$	811,065	$	367,435
Promissory note payable	7, 12		140,502		-
			951,567		367,435
Non-current liability					
Promissory note payable	7, 12		-		121,077
TOTAL LIABILITIES			**951,567**		**488,512**
SHAREHOLDERS' EQUITY					
Share capital	10		19,989,948		19,989,948
Reserves	10		3,860,109		3,770,769
Deficit			(22,704,795)		(22,125,406)
TOTAL SHAREHOLDERS' EQUITY			**1,145,262**		**1,635,311**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**2,096,829**	**$**	**2,123,823**

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

Approved on Behalf of the Board:

/s/ "Robert Edwards" — Robert Edwards, Director

/s/ "Darren Blaney" — Darren Blaney, Director

Affinity Metals Corp.
Statements of Loss and Comprehensive Loss
For the Years Ended June 30,
(Expressed in Canadian Dollars)

	Note	Year ended June 30, 2024	2023
Expenses			
Business development and property investigation		$ 19,876	$ 36,152
Consulting fees	12	360,000	360,000
Impairment of exploration and evaluation assets	5	20,447	-
Interest	7, 12	19,658	20,310
Office and miscellaneous		31,018	22,509
Professional fees		51,354	55,939
Share-based compensation	10,11, 12	72,434	-
Transfer agent and filing fees		4,602	11,039
Net loss		**(579,389)**	**(505,949)**
Other comprehensive income (loss)			
Unrealized gain on short-term investments	4	16,906	7,547
Total comprehensive loss		**$ (562,483)**	**$ (498,402)**
Weighted average number of outstanding shares		**53,858,165**	**49,370,494**
Loss per share - basic and diluted		**$ (0.01)**	**$ (0.01)**

Affinity Metals Corp.
Statements of Changes in Equity
For the Years Ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

		Share Capital		Reserves					
	Note	Number of shares	Amount	Stock option reserve	Warrant reserve	Debt discount reserve	Investment revaluation reserve	Deficit	Total
Balance at June 30, 2022		**47,858,165**	**$ 19,871,122**	**$ 1,557,858**	**$ 1,992,437**	**$ 17,455**	**$ 64,530**	**$ (21,619,457)**	**$ 1,883,945**
Net loss for the year		-	-	-	-	-	-	(505,949)	(505,949))
Shares issued in private placement	10	6,000,000	210,000	-	-	-	-	-	210,000
Warrant value	10,11	-	(91,174)	-	91,174	-	-	-	-
Discount on Promissory note payable	7,12	-	-	-	-	39,768	-	-	39,768
Unrealized gain on marketable securities	4	-	-	-	-	-	7,547	-	7,547
Balance at June 30, 2023		**53,858,165**	**$ 19,989,948**	**$ 1,557,858**	**$ 2,083,611**	**$ 57,223**	**$ 72,077**	**$ (22,125,406)**	**$ 1,635,311**
Net loss for the year		-	-	-	-	-	-	(579,389)	(579,389)
Share-based compensation	10, 11,12	-	-	72,434	-	-	-	-	72,434
Unrealized gain on marketable securities	4	-	-	-	-	-	16,906	-	16,906
Balance at June 30, 2024		**53,858,165**	**$ 19,989,948**	**$ 1,630,292**	**$ 2,083,611**	**$ 57,223**	**$ 88,983**	**$ (22,704,795)**	**$ 1,145,262**

Affinity Metals Corp.
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Year Ended June 30, 2024	Year Ended June 30, 2023
Operating activities		
Net loss	$ (579,389)	$ (505,949)
Adjustments for:		
Accrued Interests	19,425	20,310
Share-based compensation	72,434	-
Impairment of exploration and evaluation assets	20,447	-
Changes in non-cash working capital items:		
GST receivable	24	495
Prepaid expenses and deposits	67	-
Trade Payables and accrued liabilities	443,629	325,236
Net cash flows used in operating activities	**(23,363)**	**(159,908)**
Investing activities		
Exploration and Evaluation asset expenditures	(14,400)	(14,400)
Mining exploration tax credit received	7,575	-
Net cash flows used in investing activities	**(6,825)**	**(14,400)**
Financing activities		
Proceeds from issue of shares	-	210,000
Net cash flows from financing activities	**-**	**210,000**
Increase (Decrease) in cash and cash equivalents	(30,188)	35,692
Cash and cash equivalents, beginning	104,239	68,547
Cash and cash equivalents, ending	**$ 74,051**	**$ 104,239**

1. Nature and continuance of operations

Affinity Metals Corp. (the "Company") was incorporated on July 10, 1978, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "AFF.V".

The head office, principal address, records office, and registered office of the Company are located at 410 West Georgia Street, 5th Floor, Vancouver, British Columbia, Canada, V6B 0S7.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2024, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day-to-day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. As at June 30, 2024, the Company had current liabilities that exceed its current assets by $731,315 and an accumulated deficit of $22,704,795. These conditions raise significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors, and or private placement of common shares.

2. Material accounting policy information and basis of presentation

The financial statements were authorized for issue on October 28, 2024 by the directors of the Company.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

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

Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. Material accounting policy information and basis of presentation (continued)

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods relate to the determination of the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

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

Farm outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(Expressed in Canadian Dollars)

2. Material accounting policy Information and basis of presentation (continued)

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted earnings per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The Company had $74,051 (2023 – $104,239) in cash equivalents at June 30, 2024. A guaranteed investment certificate ("GIC") of $28,500 at bank prime interest rate less 2.7% maturing on November 24, 2024 is included in the cash and cash equivalent as at June 30, 2024 (2023: $28,500).

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash and cash equivalents	FVTPL
Marketable securities	FVTOCI
Trades payables	Amortized cost
Promissory note payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

2. Material accounting policy information and basis of presentation (continued)

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in Other Comprehensive Income (“OCI”) and are never reclassified to profit or loss.

(iii) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Income taxes

Current income tax:

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

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

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

2. Material accounting policy information and basis of presentation (continued)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration 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 mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

3. Adoption of New and Amended IFRS Pronouncements

There are no other IFRSs or IFRICs that are not yet effective that would be expected to have material impact on the Company's financial statements

4. Investment in Marketable securities

As at June 30, 2024, the Company holds 800,000 (June 30, 2023 – 800,000) common shares of American Creek Resources Ltd. ("American Creek Shares") at fair value of $136,000 (June 30, 2023: $120,000) and 90,592 (June 30, 2023 – 90,592) common shares of Stinger Resources Inc. at fair value of $4,983 (June 30, 2023 – $4,077). The total unrealized gain on marketable securities for the year ended June 30, 2024 is $16,906 (2023 - $7,547) which is recorded in other comprehensive income (loss). American Creek Resources Ltd., Stinger Resources Inc., and the Company have directors in common (Note 12).

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets

	Balance June 30, 2024	Current Expenditures (Impairment)	Balance June 30, 2023	2023 Expenditures	Balance June 30, 2022
Regal Property, BC					
Property acquisition costs	$ 188,500	$ -	$ 188,500	$ -	$ 188,500
Exploration and evaluation costs					
Accommodation and meals	36,808	-	36,808	-	36,808
Assays	36,993	-	36,993	-	36,993
Diamond drilling	934,931	-	934,931	-	934,931
Equipment rental	8,555	-	8,555	-	8,555
Fuel	7,248	-	7,248	-	7,248
Geologist	119,098	-	119,098	-	119,098
Helicopter	708,040	-	708,040	-	708,040
Licenses and permitting	21,646	-	21,646	-	21,646
Mining Exploration Tax Credit	(464,868)	(7,574)	(457,294)	-	(457,294)
Property Bond	22,000	-	22,000	-	22,000
Prospecting	120,384	-	120,384	-	120,384
Reporting costs	5,540	-	5,540	-	5,540
Staking costs	3,658	-	3,658	-	3,658
Supplies and Miscellaneous	102,545	14,400	88,145	14,400	73,745
Support wages	23,087	-	23,087	-	23,087
Travel and transport	2,412	-	2,412	-	2,412
	1,688,077	6,826	1,681,251	14,400	1,666,851
Total Regal Property, BC	1,876,577	6,826	1,869,751	14,400	1,855,351

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

(a) Regal Property, British Columbia

	Balance June 30, 2024	Current Expenditures (Impairment)	Balance June 30, 2023	2023 Expenditures	Balance June 30, 2022
Windfall North Property, QC					
Property acquisition costs	20,447	-	20,447	-	20,447
Exploration and evaluation costs					
Impairment of exploration and evaluation assets	(20,447)	(20,447)	-	-	-
Total Windfall North Property, QC	-	-	20,447	-	20,447
Total exploration and evaluation assets	$ 1,876,577	$ (13,621)	$ 1,890,198	$ 14,400	$ 1,875,798

On November 15, 2017, the Company entered into an option agreement to acquire 100% interest in the Regal Property located near Revelstoke, British Columbia. The Company entered into a four-year option agreement, which is now completed.

The vendor retains a 3% NSR which can be fully bought out anytime for $500,000 cash and 100,000 shares per each 1%.

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

All payments under the agreement have been met and the Company now holds 100% interest in the Regal Property.

(b) Windfall North, Quebec

During 2021, the Company acquired, through staking, 100% interest in the Windfall North Property located in the province of Quebec. During the year ending June 30, 2024, the Company considered the claims impaired and allowed the claims to lapse subsequent to year end.

6. Accounts payables and accrued liabilities

		June 30, 2024		June 30, 2023
Trade payables (Note 12)	$	733,950	$	313,355
Accrued liabilities		77,115		54,080
	$	811,065	$	367,435

Included in trade payables and accrued liabilities at June 30, 2024 is $656,000 (June 30, 2023 - $278,000) owed to companies owned by officers of the Company for accrued consulting fees (Note 12).

7. Promissory notes payable

A promissory note totaling $150,000 is payable to a company controlled by a director of the Company (Note 12). The interest rate of 2.5% was fixed until the maturity date of February 8, 2023. The Company estimated that the market interest rate for a similar loan is 16% and recognized at the inception $17,455 in the debt discount reserve as a discount of the promissory note. The carrying value of the promissory note payable was then carried at amortized costs. The Promissory note agreement was amended on February 8, 2023, extending the maturity date to June 30, 2025, and the fixed interest rate to 3.5%. The amendment was accounted for as an extinguishment of debt and a discount of $39,768 was recorded in the equity reserve.

The carrying value of the promissory note payable as at June 30, 2024 was $140,502 (2023: $121,077) and the interest expense recognized during the year ended June 30, 2024 was $19,425 (2023 - $20,310).

8. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Years ended	
	June 30, 2024	June 30, 2023
Net loss	$ 579,389	$ 505,949
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(156,435)	(136,606)
Non-deductible items and other	(2,159)	(6,007)
Change in valuation allowance	158,594	142,613
Income tax recovery	$ -	$ -

(Expressed in Canadian Dollars)

8. Income Taxes (continued)

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

		June 30, 2024		June 30, 2023
Non-capital loss carry-forwards	$	2,738,515	$	2,577,242
Exploration and evaluation assets		(24,653)		(30,173)
Property and equipment		14,530		14,530
Investment tax credit		216,107		216,107
Capital losses carried forward		505,372		505,372
Marketable securities		(12.013)		(9,731)
Share issuance costs		4,579		9,730
		3,442,437		3,283,843
Valuation allowance		(3,442,437)		(3,283,843)
Deferred tax assets	$	-	$	-

The Company has non-capital losses of $10,142,646 that will commence expiring in the year 2026.

9. Restoration and environmental obligations

The Company did not provide for any possible restoration and environmental obligations as management believes that no liability exists. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments regarding restoration and environmental obligations.

10. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2024, there were 53,858,165 (June 30, 2023 – 53,858,165) issued and fully paid common shares.

Common shares

Issued during the year ended June,30 2024

No common shares were issued for the year ended June 30, 2024.

Issued during the year ended June 30, 2023

On March 30, 2023, the Company issued 6,000,000 units in a non-brokered private placement at a price of $0.035 per unit for gross proceeds of $210,000. Each unit consisted of one common share of the Company and one non-transferable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 2 years from the closing date at a price of $0.05 per share. The fair value of the warrants issued was $91,174 (Note 11).

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2024, was based on the net loss attributable to common shareholders of $579,389 (2023 – $505,949) and the weighted average number of common shares outstanding of 53,858,165 (2023 – 49,370,494).

Diluted loss per share did not include the effect of 5,360,000 stock options or 6,000,000 warrants as the effect would be anti-dilutive.

(Expressed in Canadian Dollars)

10. Share capital (continued)

Warrants

Granted during the year ended June 30, 2024:

No warrants were granted for the year ended June 30, 2024.

Granted during the year ended June 30, 2023:

On March 30, 2023, 6,000,000 warrants were granted as part of the units issued in a private placement. Each full warrant may be exercised for one additional common share for a period of 2 years from the closing date for $0.05 per shares.

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

	June 30, 2024			June 30, 2023	
	Number of warrants	Weighted average exercise price		Number of warrants	Weighted average exercise price
Warrants outstanding, beginning	6,000,000	$ 0.05		16,927,437	$ 0.27
Warrants issued	-	-		6,000,000	0.05
Warrants expired	-	-		(16,927,437)	0.27
Warrants outstanding, ending	6,000,000	$ 0.05		6,000,000	$ 0.05
Warrants exercisable, ending	6,000,000	$ 0.05		6,000,000	$ 0.05

The weighted average remaining contractual life of the warrants outstanding as at June 30, 2024 is 0.75 years.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The maximum discount allowed varies with share price, with a maximum of 25% and a minimum price of $0.05. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or thirty days following cessation of an optionee conducting investor relations activities' position. Pursuant to the stock option plan, options granted in respect of investor relations activities are subject to vesting in stages over one year from the grant date with a maximum of one-quarter of the options vesting in any three-month period. Vesting restrictions may also be applied to other options grants, at the discretion of the Board of Directors.

Granted during the year ended June 30, 2024:

On February 16, 2024, the Company granted 3,690,000 stock options to directors and consultants of the Company. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options for $0.05.

On December 20, 2023, the Company canceled 2,415,000 stock options to directors and consultants of the Company. The exercise price of the canceled options ranged between $0.06 and $0.11.

(Expressed in Canadian Dollars)

10. Share capital (continued)

Granted during the year ended June 30, 2023:

No options were granted for the year ended June 30, 2023.

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

	June 30, 2024			June 30, 2023		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning	4,085,000	$	0.08	4,085,000	$	0.08
Options granted	3,690,000	$	0.05	-		-
Options expired	-		-	-		-
Options cancelled	(2,415,000)		0.10	-		-
Options outstanding, ending	5,360,000	$	0.05	4,085,000	$	0.08
Options exercisable, ending	5,360,000	$	0.05	4,085,000	$	0.08

The weighted average remaining contractual life of the option outstanding as at June 30, 2024 is 7.47 years.

11. Reserves

Warrant reserve

The warrant reserve records the fair value of the common share purchase warrants recorded using the Black-Scholes Option Pricing Model. At the time the warrants are issued, there is a corresponding amount recorded as an offset to share capital.

Granted during the year ended June 30, 2024:

No warrants were granted during the year ended June 30, 2024.

Granted during the year ended June 30, 2023:

On March 30, 2023, the Company issued 6,000,000 common share purchase warrants as part of the private placement (Note 10). Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement for $0.05. The fair value of the common share purchase warrants was determined to be $91,174 using the Black Scholes Option Pricing Model, assuming a 0% dividend yield, 118.3%% volatility, a risk fee interest rate of 3.74%, and a term of 2 years.

Stock option reserve

The stock option reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Granted during the year ended June 30, 2024

Granted 3,690,000 options to purchase common shares to directors and consultants of the Company (Note 12). Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options for $0.05. The fair value of the common share purchase options was determined to be $72,434 in total using the Black Scholes Option Pricing Model, assuming a 0% dividend yield, 155% volatility, a risk-free interest rate of 3.48%, and a term of 10 years.

(Expressed in Canadian Dollars)

11. Reserves (continued)

Cancelled during the year ended June 30, 2024:

On December 20, 2023, 2,415,000 options were canceled with exercise prices between $0.06 and $0.11.

Investment revaluation reserve

The investment revaluation reserve records unrealized gains and losses arising from financial assets classified as FVTOCI, except for impairment losses.

Debt discount reserve

The debt discount reserve records the discount amount of the promissory payable at the inception date based on the market interest rate estimated by the Company (Note 7).

12. Related party transactions

The Company incurred the following related party transactions with companies that are controlled by a director of the Company, CEO and CFO.

	Year ended			
		June 30, 2024		June 30, 2023
Accrued Interest expense – Company controlled by a director (Note 7)	$	19,425	$	20,310
Share-based compensation (Notes 10 and 11)	$	65,564	$	-

Key management personnel compensation

	Year ended			
		June 30, 2024		June 30, 2023
Consulting fees – accrued to a company controlled by the CEO	$	180,000	$	180,000
Consulting fees – accrued to a company controlled by the CFO		180,000		180,000
Consulting fees – accrued to officers	$	360,000	$	360,000

Included in trade payables and accrued liabilities at June 30, 2024 is $656,000 (June 30, 2023 - $278,000) owed to companies owned by officers of the Company for accrued consulting fees (Note 6).

A promissory note originally totaling $150,000 at the rate of 3.5% per annum maturing on June 30, 2025 is due to a company controlled by a director of the Company (Note 7).

As at June 30, 2024, the Company holds 800,000 (2023 – 800,000) common shares of American Creek Resources Ltd. and 90,592 (2023 – 90,592) common shares of Stinger Resources Inc., companies with common directors (Note 4).

13. Financial risk and capital management

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

13. Financial risk and capital management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Liquidity risk is assessed as high.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at June 30, 2024:

	Within one year	Between one and five years	More than five years
Trade payables	$ 733,950	$ -	$ -
Promissory note	-	140,502	-
	$ 733,950	**$ 140,502**	**$ -**

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk as it incurs expenditures that are primarily denominated in Canadian dollars.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of share capital and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

13. Financial risk and capital management (continued)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The following is an analysis of the Company's financial assets measured at fair value using level inputs as at June 30, 2024 and June 30, 2023:

	As at June 30, 2024		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 74,051	$ -	$ -
Marketable securities	140,983	-	-
	$ 215,034	$ -	$ -

	As at June 30, 2023		
Cash and cash equivalents	$ 104,239	$ -	$ -
Marketable securities	124,077	-	-
	$ 228,316	$ -	$ -

The carrying value of the trade payables approximates their fair values due of the short-term nature of these instruments. The fair value of the promissory note payable approximates the carrying value (Note 7).

14. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration, and development of mineral properties.

Geographic segments

At June 30, 2024, all of the Company's assets are located in Canada.