

GENERAL COPPER / GOLD

General Copper Gold Corp.

Financial Statements

(Expressed in Canadian Dollars)
(Unaudited)

Nine Month Period Ended

May 31, 2024 and 2023

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements. The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

General Copper Gold Corp.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

| | May 31, 2024 | August 31, 2023 |
|---|-----------------|--------------------|
| | (\$) | (\$) |
| ASSETS | | |
| Current assets | | |
| Cash | 1,841 | 14,564 |
| Amounts receivable | 6,706 | 31,220 |
| | 8,547 | 45,784 |
| Restricted cash | 7,500 | 7,500 |
| Exploration and evaluation assets (Note 5) | 2,314,105 | 2,073,505 |
| | 2,330,152 | 2,126,789 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 6) | 283,266 | 183,436 |
| Notes payable (Note 7) | 36,196 | 3,196 |
| | 319,462 | 186,632 |
| Shareholders' equity | | |
| Share capital (Note 8) | 12,385,654 | 12,145,654 |
| Share-based payments reserve (Note 8) | 884,160 | 884,160 |
| Deficit | (11,259,124) | (11,089,657) |
| | 2,010,690 | 1,940,157 |
| | 2,330,152 | 2,126,789 |

Nature of operations and going concern (Note 1)

These financial statements were authorized for issue by the Board of Directors on July 30, 2024. They are signed on behalf of the Board of Directors by:

"James Newall"

Director

"Michael Curtis"

Director

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

General Copper Gold Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

| | Three Month Period Ended May 31, 2024 (\$) | Three Month Period Ended May 31, 2023 (\$) | Nine Month Period Ended May 31, 2024 (\$) | Nine Month Period Ended May 31, 2023 (\$) |
|---|--|--|---|---|
| EXPENSES | | | | |
| Consulting fees | - | - | - | 4,643 |
| Investor relations and marketing | 250 | 290 | 250 | 540 |
| Management fees (Note 9) | 15,000 | 30,000 | 75,000 | 90,000 |
| Office and miscellaneous | 2,860 | 10,016 | 10,117 | 18,016 |
| Professional fees | - | - | - | 8,177 |
| Rent | 18,000 | 18,000 | 54,000 | 54,000 |
| Transfer agent and filing fees | 5,710 | 5,290 | 28,302 | 48,426 |
| Travel | 1,448 | - | 1,798 | 8,986 |
| Loss and comprehensive loss | (43,268) | (63,596) | (169,467) | (232,788) |
| Basic and diluted loss per common share | (0.00) | (0.00) | (0.00) | (0.00) |
| Weighted average common shares outstanding | 53,052,456 | 49,052,456 | 52,030,558 | 49,052,456 |

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

General Copper Gold Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

| | Number of Shares | Amount (\$) | Share-based Payments Reserve (\$) | Deficit (\$) | Total (\$) |
|---|---------------------|-------------------|--|---------------------|------------------|
| Balance at August 31, 2022 | 49,052,456 | 12,145,654 | 884,160 | (10,670,652) | 2,359,162 |
| Loss and comprehensive loss | - | - | - | (232,788) | (232,788) |
| Balance at May 31, 2023 | 49,052,456 | 12,145,654 | 884,160 | (10,903,440) | 2,126,374 |
| Balance at August 31, 2023 | 49,052,456 | 12,145,654 | 884,160 | (11,089,657) | 1,940,157 |
| Shares issued for exploration and evaluation assets | 4,000,000 | 240,000 | - | - | 240,000 |
| Loss and comprehensive loss | - | - | - | (169,467) | (169,467) |
| Balance at May 31, 2024 | 53,052,456 | 12,385,654 | 884,160 | (11,259,124) | 2,010,690 |

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

General Copper Gold Corp.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

| | Nine Month Period Ended May 31, 2024 | Nine Month Period Ended May 31, 2023 |
|---|---|---|
| | (\$) | (\$) |
| CASH PROVIDED BY (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Loss for the period | (169,467) | (232,788) |
| Items not affecting cash: | | |
| Changes in non-cash working capital items: | | |
| Accounts receivables | 24,514 | 51,866 |
| Accounts payable and accrued liabilities | 99,830 | (18,287) |
| | (45,123) | (199,209) |
| FINANCING ACTIVITIES | | |
| Repayment of notes payable | - | (2,500) |
| Proceeds from notes payable | 33,000 | - |
| | 33,000 | (2,500) |
| INVESTING ACTIVITIES | | |
| Expenditures on exploration and evaluation assets | (600) | (408,638) |
| Change in cash during the period | (12,723) | (610,347) |
| Cash, beginning of period | 14,564 | 633,118 |
| Cash, end of period | 1,841 | 22,771 |

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

1. NATURE OF OPERATIONS AND GOING CONCERN

General Copper Gold Corp. (the "Company") was incorporated on April 29, 1982, under the laws of the Province of British Columbia.

The address of the Company's head office and registered office is 1558 West Hastings Street, Vancouver, British Columbia, V6G 3J4, Canada.

The Company is a publicly traded company and the Company's shares are currently listed on the Canadian Securities Exchange ("CSE") under the symbol GGLD.

During the year ended August 31, 2021, the Company delisted its shares from the NEX board of the TSX Venture Exchange in conjunction with a change of business to a mining issuer and concurrent closing of an option agreement to acquire a 100% interest in the Clark's Brook property in Newfoundland, and entered into an option agreement to acquire a 100% interest in the Topley Richfield property in British Columbia. During the year ended August 31, 2022, the Company terminated its option to acquire the Clark's brook property and as a result recognized an impairment in the amount of \$371,709.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. Currently, the Company has no source of operating cash flows. The Company had an accumulated loss of \$11,259,124 since inception. The Company has relied mainly upon the issuance of share capital and notes payable to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue to rely upon the issuance of share capital to finance its future activities but there can be no assurance that such financing will be available to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations, and financial condition. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Failure to continue as a going concern may require restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company's audited annual financial statements for the year ended August 31, 2023, prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements were approved by the Audit Committee and Board of Directors of the Company on July 30, 2024.

Basis of presentation

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

2. BASIS OF PRESENTATION (continued)

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Significant Accounting Judgments, Estimates and Assumptions

In the application of the Company's accounting policies which are described below, management is required to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses and are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and management's assessment of current events and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgements, estimates and assumptions that have the most significant effect on the amounts recognized in these financial statements include:

Deferred income taxes

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Impairment of mineral properties

The assessment of indications of impairment of the mineral properties and related determination of the net realizable value and write-down of the mineral property requires a significant amount of management judgment.

Leases

Management exercises judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease under *IFRS 16, Leases*. Judgment is required in determining the appropriate lease term on a lease by lease basis. Management considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leasehold improvements, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if management is reasonably certain to exercise that option. Changes in the economic environment may impact the assessment of the lease term and any changes in the estimate of lease terms may have a material impact on the Company's statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Significant Accounting Judgments, Estimates and Assumptions (continued)

Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

(b) Foreign Currency Translation

The Company's functional and reporting currency is the Canadian dollar.

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

(c) Financial Instruments

(i) Classification and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories: at amortized cost, at fair value through other comprehensive income (loss) ("FVTOCI"), or at fair value through profit ("FVTPL").

Financial Assets

The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate method. If there is objective evidence that the financial assets are impaired, determined by reference to external credit ratings and other relevant indicators, the financial assets are measured at the present value of estimated future cash flows. Any changes to the carrying amount of the financial asset, including impairment losses, are recognized through profit or loss. There are no assets classified in this category.

Financial assets at FVTOCI

Financial assets carried at FVTOCI are financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

Financial Assets (continued)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to deficit. The Company does not have any financial assets classified as FVTOCI.

Financial assets at FVTPL

By default, all other financial assets are measured subsequently at FVTPL. Assets at FVTPL include cash and restricted cash.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributable transaction costs are recognized in profit or loss when incurred.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: at amortized cost or at FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The Company has classified its accounts payable and notes payable as amortized cost.

(ii) Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i. e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Share Capital

The Company records proceeds from the share issuances, net of commissions and issuance costs, as share capital. The Company engages in equity financing transactions to obtain the funds necessary to continue operations. The equity financings may involve the issuance of common shares or units. Warrants that are part of units are assigned a value based on the residual value, if any, and included in the reserves.

(d) Share-Based Payments

The Company has a stock option plan for its directors, officers and employees. Under this plan, stock options are not issued at less than their fair market value.

The Company recognizes compensation cost for options and other share-based compensatory awards under the fair value method. Compensation cost is measured using the Black-Scholes option pricing model at the date of the grant and is expensed over the vesting period of the equity instrument awarded, with the offsetting amounts credited to share-based payment reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserve amount is transferred to share capital.

(e) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(f) Loss Per Share

Basic loss per share is calculated using the weighted average number of shares issued and outstanding during the period. Diluted loss per share is the same as basic loss per share as the issuance of shares on the exercise of share purchase options and warrants is anti-dilutive.

(g) Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated based on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

GENERAL COPPER GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
NINE MONTH PERIOD ENDED MAY 31, 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income Taxes (continued)

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4. ACCOUNTING STANDARDS ADOPTED AND ISSUED

Adoption of New or Amended Accounting Standards

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2023, or later periods. The Company has not early adopted these new standards in preparing these financial statements. The new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. EXPLORATION AND EVALUATION ASSETS

| | Topley Richfield |
|---------------------------------|-----------------------------|
| | (\$) |
| Balance, August 31, 2022 | 1,699,313 |
| Assays | 17,787 |
| Drilling | 177,786 |
| Camp & field supplies | 188,623 |
| Geological consulting | 67,000 |
| Permits and licenses | 500 |
| Travel | 2,100 |
| Cash advances | (79,604) |
| Balance, August 31, 2023 | 2,073,505 |
| Acquisition costs – shares | 240,000 |
| Camp & field supplies | 600 |
| Balance, May 31, 2024 | 2,314,105 |

Clark's Brook Property

On July 29, 2020 the Company entered into an arm's length option agreement (the "Option Agreement") with Metals Creek Resources Corp. ("MCR") to acquire 100% of the right, title and interest in and to the Clark's Brook Property in central Newfoundland. In order to earn its option, the Company must issue an aggregate of 1,500,000 common shares of the Company and make cash payments totaling \$225,000 over the course of a three-year period as outlined below:

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NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
NINE MONTH PERIOD ENDED MAY 31, 2024

5. EXPLORATION AND EVALUATION ASSETS (continued)

| # of Shares | \$ Cash | Date |
|------------------|----------------|---|
| - | 50,000 | On signing of Option Agreement (paid) |
| 200,000 | - | On initial listing on Canadian Securities Exchange (issued) |
| 300,000 | 30,000 | On or before 12 months from Initial Issuance Date (cash paid) |
| 500,000 | 45,000 | 24 months from Initial Issuance Date |
| 500,000 | 100,000 | 36 months from Initial Issuance Date |
| 1,500,000 | 225,000 | |

In accordance with the terms of the Option Agreement, the Company will reserve to MCR a 2% net smelter royalty (the "NSR") on the mineral claims, provided, however, that the Company shall have the right at any time to purchase from MCR 1% of the NSR in consideration for a one-time payment of the sum of \$1,000,000.

During the year ended August 31, 2020, the Company made the initial \$50,000 cash payment under the Option Agreement.

During the year ended August 31, 2021, the Company made the second cash payment of \$30,000 and issued 200,000 common shares at a fair value of \$0.06, pursuant to the terms of the Option Agreement. The Company incurred \$39,549 in exploration expenditures on the Clark's Brook property during the year ended August 31, 2022.

During the year ended August 31, 2022, the Clark's Brook property was assessed for impairment, and due to impairment factors being present, the recoverable value of the property was determined to be \$Nil, resulting in an impairment of \$371,709. The option to acquire the property was officially terminated during the year ended August 31, 2023.

Topley Richfield Property

On July 20, 2021, the Company entered into an option agreement to acquire up to a 100% interest in and to the copper-gold Topley Richfield property, located in the Omineca mining division of British Columbia.

Pursuant to the agreement, the Company can commence the earn-in to acquire a 50.1% interest in the property through the issuance of two million common shares and a cash payment of \$200,000 on or before 10 days after signing the agreement (paid and issued on July 20, 2021). Thereafter, should the Company wish to complete the earn-in and acquire the 50.1% interest in the property, it may, in its sole discretion: issue four million common shares on or before 29 months from the effective date, being December 20, 2023 (the "First Option Earn-In Deadline"). During the period ended May 31, 2024, the Company satisfied the First Option Earn-In conditions and issued 4 million common shares with an estimated fair value of \$240,000.

The Company can acquire an additional 16.9% interest in the property by issuing two million common shares within 12 months after the First Option Earn-In Deadline (the "Second Option Earn-In Deadline"). Following the exercise of the second option, the Company can earn a final 33% interest in the property (for a total interest of 100%) by issuing four million common shares and making a cash payment of \$15,000 within 12 months of the Second Option Earn-in Deadline.

The exercise of the options (and the payments and share issuances at each tranche) are at the discretion of the Company. If the Company exercises the first option, second option or third option, as applicable, and makes all required payments and issuances thereunder, it will have earned the interest subject to such option.

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NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
NINE MONTH PERIOD ENDED MAY 31, 2024

5. EXPLORATION AND EVALUATION ASSETS (continued)

Topley Richfield Property (continued)

The option agreement includes existing royalties of a 1% NSR on one mineral right and a 2% NSR on the remaining mineral rights, each percentage of which may be purchased for \$1 million.

As of August 31, 2021, the Company commenced its first earn-in option to acquiring 50.1% interest in and to the Topley Richfield property in exchange for a cash payment of \$200,000 and the issuance of two million common shares at a fair value of \$0.45 per share.

During the year ended August 31, 2023, the Company wrote off a prepaid drilling deposit in the amount of \$100,015 which was issued to a drilling contractor during the year ended August 31, 2022. The drilling contractor was unable to complete the contracted services, and agreed to refund the deposit; however the Company has been unsuccessful in collecting this deposit to date.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | May 31, 2024 | August 31, 2023 |
|---------------------------------|---------------------|------------------------|
| | (\$) | (\$) |
| Trade payables | 162,416 | 111,936 |
| Related party payables (Note 9) | 80,850 | 31,500 |
| Accrued liabilities | 40,000 | 40,000 |
| Total | 283,266 | 183,436 |

7. NOTES PAYABLE

| | May 31, 2024 | August 31, 2023 |
|--|---------------------|------------------------|
| | (\$) | (\$) |
| Unsecured, interest-free loan, repayable on demand | 36,196 | 3,196 |
| Total | 36,196 | 3,196 |

i) During the period ended May 31, 2024, the Company issued a total of \$33,000 to arm's length, third-party creditors in unsecured notes payable which are interest-free and repayable upon demand.

ii) During the year ended August 31, 2023, the Company issued a total of \$3,196 to arm's length, third-party creditors in unsecured notes payable which are interest-free and repayable upon demand, incurred \$Nil (2022 - \$Nil) in interest expense, and repaid \$2,500 in notes.

8. SHARE CAPITAL

a) Authorized share capital

An unlimited number of common shares without par value.

b) Issued share capital

During the period ended May 31, 2024, the Company issued 4 million common shares with an estimated fair value of \$0.06 per share pursuant to the Topley Richfield mineral property option agreement.

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(Expressed in Canadian dollars)
NINE MONTH PERIOD ENDED MAY 31, 2024

8. SHARE CAPITAL (continued)

b) Issued share capital (continued)

During the year ended August 31, 2023, there were no shares issued.

c) Stock options

The Company adopted a new 15% rolling stock option plan (the "Plan") in compliance with the CSE's policies, which was approved by the Company's shareholders on December 16, 2020. The number of common shares reserved and authorized for issuance pursuant to options granted under the Plan is 7,957,868, as of May 31, 2024, representing 15% of the number of issued and outstanding shares. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant. Vesting terms are at the discretion of the directors.

A continuity schedule of outstanding stock options is as follows:

| | Number Outstanding | Weighted Average Exercise Price |
|------------------------------------|-------------------------------|--|
| | | (\$) |
| Balance – August 31, 2022 and 2023 | 2,800,000 | 0.36 |
| Balance – May 31, 2024 | 2,800,000 | 0.36 |

During the period ended May 31, 2024, there were no stock options granted.

During the year ended August 31, 2023, there were no stock options granted.

During the period ended May 31, 2024, the Company recognized \$Nil (2023 - \$Nil) in share-based compensation relating to options vesting during the period.

As at May 31, 2024, the Company had incentive stock options enabling the holders to acquire further common shares as follows:

| Expiry Date | Options Outstanding | Options Exercisable | Weighted Average Exercise Price | Weighted Average Remaining Life |
|--------------------|--------------------------------|--------------------------------|--|--|
| | | | (\$) | (years) |
| March 25, 2026 | 1,800,000 | 1,800,000 | 0.315 | 1.82 |
| April 28, 2026 | 500,000 | 500,000 | 0.35 | 1.91 |
| June 8, 2026 | 500,000 | 500,000 | 0.55 | 2.02 |
| | 2,800,000 | 2,800,000 | 0.36 | 1.87 |

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NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
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8. SHARE CAPITAL (continued)

d) Share purchase warrants

A continuity schedule of outstanding share purchase warrants is as follows:

| | Number Outstanding | Weighted Average Exercise Price (\$) |
|--|-------------------------------|---|
| Balance – August 31, 2022 | 3,740,000 | \$0.40 |
| Expired | (3,740,000) | \$0.40 |
| Balance – August 31, 2023 and May 31, 2024 | - | - |

During the year ended August 31, 2023, 3,740,000 warrants expired unexercised. As at May 31, 2024, the Company had Nil warrants outstanding.

9. RELATED PARTY TRANSACTIONS AND BALANCE

Key Management Compensation

The Company defines key management personnel as officers and directors of the Company and/or entities controlled by them, which includes Carsonby Enterprises Inc. (Michelle Gahagan, former CEO), and KMC Capital Corp. (Kelsey Chin, CFO).

As at May 31, 2024, a total of \$80,850 (August 31, 2023 - \$31,500), was included in accounts payable and accrued liabilities owing to corporations controlled by the chief executive officer and/or chief financial officer of the Company for management fees. The amounts are non-interest bearing, unsecured with no formal terms of repayment.

Other Related Party Transactions

| | Nine Months Ended May 31, 2024 (\$) | Nine Months Ended May 31, 2023 (\$) |
|-----------------|--|--|
| Management fees | 75,000 | 90,000 |
| | 75,000 | 90,000 |

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values and Classification

The Company's financial instruments consist of cash, accounts payable and notes payable. Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI"), or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

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(Expressed in Canadian dollars)
NINE MONTH PERIOD ENDED MAY 31, 2024

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

| Financial Instrument | Category | May 31, 2024 | August 31, 2023 |
|-----------------------------|-----------------|-------------------------|----------------------------|
| | | (\$) | (\$) |
| Cash and restricted cash | FVTPL | 1,841 | 14,564 |
| Accounts payable | Amortized cost | 283,266 | 183,436 |
| Notes payable | Amortized cost | 36,196 | 3,196 |

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 fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of accounts payable approximate their book values because of the short-term nature of these instruments.

The carrying amounts of the notes payable approximate fair value as the interest rates were negotiated based on market rates.

Financial instrument risk exposure

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company manages this credit risk by ensuring that cash is placed with a major financial institution with strong investment grade ratings by a primary ratings agency.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company endeavors to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. The Company is exposed to liquidity risk.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Contractual undiscounted cash flow requirements for financial liabilities as at May 31, 2024 are as follows:

| | <u><1 year</u> | <u>2-3 Years</u> | <u>Total</u> |
|--|-------------------|------------------|--------------|
| | (\$) | (\$) | (\$) |
| Accounts payable and accrued liabilities | 283,266 | - | 283,266 |

Interest rate risk

The Company is nominally exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The Company does not have any variable interest rate liabilities.

Foreign exchange risk

The Company is not exposed to significant foreign currency risk.

11. MANAGEMENT OF CAPITAL

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits. There have been no changes to the Company's approach to capital management during the period ended May 31, 2024.