

FIRST TELLURIUM

Essential Metals for a Sustainable Future

FIRST TELLURIUM CORP.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The condensed consolidated interim financial statements for the Company for the second quarter ended January 31, 2024 have been prepared for and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these unaudited interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

FIRST TELLURIUM CORP.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	Jan. 31, 2024	July 31, 2023
Assets			
Current Assets			
Cash		\$ 41,003	\$ 193,839
Receivables	3	57,811	123,921
Prepaid expenses	4, 13	358,493	549,743
		<u>457,307</u>	<u>867,503</u>
Equipment	5	446,471	477,775
Exploration and evaluation assets	7	228,538	228,538
Reclamation deposit	6	136,212	136,212
Investment in associated companies	8	3,578	2,970
		<u>\$ 1,272,106</u>	<u>\$ 1,712,998</u>
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	9	\$ 613,931	\$ 250,999
Loans payable	10	182,000	182,000
Flow through premium liability	11	128,086	94,286
Due to related parties	13	29,900	22,943
		<u>953,917</u>	<u>550,228</u>
Shareholders' Equity			
Share capital	11	21,282,968	20,790,490
Share-based payments reserve		1,110,621	872,079
Share subscriptions	11	13,840	13,840
Share subscriptions receivable	11	(32,000)	(32,000)
Deficit		(22,037,009)	(20,461,408)
Equity attributable to shareholders of the Company		<u>338,420</u>	<u>1,183,001</u>
Non-controlling interest	12	(20,231)	(20,231)
		<u>318,189</u>	<u>1,162,770</u>
		<u>\$ 1,272,106</u>	<u>\$ 1,712,998</u>

Nature of Operations and Going Concern (Note 1)

On behalf of the Board:

"Tyrone Docherty"
Director

"Tony Fogarassy"
Director

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

FIRST TELLURIUM CORP.
CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the six months ended January 31,

	Note	Three months ended January 31,		Six months ended January 31,	
		2024	2023	2024	2023
Operating Expenses					
Advertising and promotion		172,270	254,037	173,270	323,688
Consulting fees		58,507	38,000	130,441	95,889
Depreciation	5,6	23,499	2,105	31,304	5,321
Equity (income) loss pickup		-	33	(607)	67
Exploration and evaluation expenditures (net of recovery)		207,633	52,357	797,251	180,047
Interest expense		6,653	4,614	13,714	9,228
Investor relations and shareholder information		22,238	100,353	43,818	151,828
Management fees	13	72,000	72,000	144,000	144,000
Office and miscellaneous		10,713	6,215	11,811	16,495
Professional fees		17,632	42,352	19,866	42,352
Regulatory and filing fees		14,616	12,234	18,366	14,718
Share-based payments		192,367	164,976	192,367	185,398
Travel		-	220	-	220
		(798,128)	(749,496)	(1,575,601)	(1,169,251)
Loss and comprehensive loss for the period					
		\$ (798,128)	\$ (749,496)	\$ (1,575,601)	\$ (1,169,251)
Basic and diluted loss per share					
		\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average shares outstanding					
		84,480,928	72,519,704	79,742,609	63,421,823

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

FIRST TELLURIUM CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Number of common shares	Share Capital	Share Subscriptions Receivable	Share Subscriptions	Share-based payments reserve	Deficit	Non-controlling interest	Total equity (deficiency)
Balance, July 31, 2022	69,650,931	\$ 18,894,239	\$ (32,000)	\$ 13,840	\$ 686,141	\$ (18,498,268)	\$ -	\$ 1,063,952
Private placement	13,396,000	1,515,600	-	-	-	-	-	1,515,600
Flow-through premium	-	(16,750)	-	-	-	-	-	(16,750)
Share issue costs – cash	-	(4,569)	-	-	-	-	-	(4,569)
Share issue costs – shares	319,900	31,990	-	-	-	-	-	31,990
Share based compensation	-	-	-	-	185,938	-	-	185,938
Loss and comprehensive loss for the period	-	-	-	-	-	(1,169,251)	-	(1,169,251)
Balance, January 31, 2023	83,366,831	20,420,510	\$ (32,000)	\$ 13,840	\$ 872,079	\$ (19,667,519)	\$ -	\$ 1,606,910
Balance, July 31, 2023	86,320,331	\$ 20,790,490	\$ (32,000)	\$ 13,840	\$ 872,079	\$ (20,461,408)	\$ (20,231)	\$ 1,162,770
Private placements	3,915,000	425,300	-	-	46,175	-	-	471,475
Flow-through premium	-	(33,800)	-	-	-	-	-	(33,800)
Reserves for warrants	900,000	108,000	-	-	-	-	-	108,000
Exercise of warrants	-	(7,022)	-	-	-	-	-	(7,022)
Share based compensation	-	-	-	-	192,367	-	-	192,367
Loss and comprehensive loss for the period	-	-	-	-	-	(1,575,601)	-	(1,575,601)
Balance, January 31, 2024	91,135,331	\$ 21,282,968	\$ (32,000)	\$ 13,840	\$ 1,110,621	\$ (22,037,009)	\$ (20,231)	\$ 318,189

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

FIRST TELLURIUM CORP.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the six months ended January 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,575,601)	\$ (1,169,251)
Items not involving cash:		
Depreciation	31,304	5,321
Equity (income) loss pick up	-	67
Share-based payments	192,367	185,398
Interest expense	13,714	9,228
Changes in non-cash working capital balances:		
Decrease (increase) in receivables	66,110	(26,199)
Decrease (increase) in prepaid expenses	191,250	(137,766)
Increase (decrease) in due to related party	6,957	20,249
Increase (decrease) in accounts payable and accrued liabilities	384,763	(70,306)
Cash flows used in operating activities	(689,136)	(1,183,259)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	536,300	1,530,349
Cash flows provided from financing activities	536,300	1,525,163
Increase (decrease) in cash during period	(152,836)	341,904
Cash, beginning of period	193,839	1,005,635
Cash, end of period	41,003	1,347,539
Supplemental non-cash investing and financing activities:		
Flow-through premium allocation	\$ 33,800	\$ 16,750
Share issue costs	7,022	4,569

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

FIRST TELLURIUM CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended January 31, 2024 and 2023

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

First Tellurium Corp. ("First Tellurium" or the "Company") was incorporated under the *Business Corporations Act* (Canada) and continued into British Columbia pursuant to the *Business Corporations Act* (British Columbia, Canada). The Company's head office and principal place of business is 381 – 1440 Garden Place, Delta, British Columbia, Canada. The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, Canada and trades on the Canadian Securities Exchange under the symbol "FTEL". The Company has interests in exploration and evaluation assets in British Columbia, Canada and Colorado, USA and its principal business is the exploration of those assets.

These consolidated financial statements are 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 business in the foreseeable future. Management believes that the Company's working capital at January 31, 2024, is not sufficient to finance operations through the next twelve months. The Company has incurred ongoing losses. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on the IFRS issued and outstanding as at July 31, 2023.

These unaudited condensed consolidated financial statements should be read in conjunction with the most recently issued annual audited financial statements of the Company, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented as Note 3 to the financial statements for the year ended July 31, 2023 and have been consistently applied in the preparation of these unaudited condensed interim financial statements.

NOTE 3 – RECEIVABLES

	As at Jan. 31, 2024	As at July 31, 2023
Amounts due from the Government of Canada pursuant to GST input tax credits	\$ 22,140	\$ 88,250
Amounts due from vendor	35,671	35,671
Total	\$ 57,811	\$ 123,921

FIRST TELLURIUM CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended January 31, 2024 and 2023

NOTE 4 – PREPAID EXPENSES

	As at Jan. 31, 2024	As at July 31, 2023
Prepaid expenses	\$ 34,534	\$ 106,943
Prepaid exploration expenses	323,959	442,800
Total	\$ 358,493	\$ 549,743

NOTE 5 – EQUIPMENT

Equipment	
Cost:	
Balance at July 31, 2022	\$ 42,853
Additions	460,000
Balance at July 31, 2023	\$ 502,853
Additions	-
Balance at January 31, 2024	\$ 502,853
Accumulated depreciation:	
Balance at July 31, 2022	19,923
Depreciation	4,444
Balance at July 31, 2023	\$ 25,078
Depreciation	31,304
Balance at January 31, 2024	\$ 56,382
Carrying amounts:	
July 31, 2023	\$ 477,775
January 31, 2024	\$ 446,471

NOTE 6 – RECLAMATION DEPOSIT

The Company provided funding for deposits as security against potential future reclamation work related to the Deerhorn property (Note 7).

	As at Jan. 31, 2024	As at July 31, 2023
Reclamation deposit: Deerhorn property	\$ 136,212	\$ 136,212

FIRST TELLURIUM CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended January 31, 2024 and 2023

NOTE 7 – EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation acquisition costs

	July 31, 2022	Additions	July 31, 2023	Additions	Jan. 31, 2024
Deer Horn	\$ -	\$ -	\$ -	\$ -	\$ -
Colorado Klondike	129,095	65,325	228,538	-	228,538
	\$ 129,095	\$ 65,325	\$ 228,538	\$ -	\$ 228,538

Exploration and evaluation expenditures

	Deerhorn	Colorado Klondike	January 31, 2024
Assays	\$ 12,691	\$ -	12,691
Camp and field supply	154,065	-	154,065
Drilling and field support	583,015	-	583,015
Geological consulting	4,483	3,117	7,600
Travel	42,424	317	42,741
Mining tax credit recovery	(11,162)	-	(11,162)
Other	8,301	-	8,301
Total exploration expense	\$ 793,817	\$ 3,434	\$ 797,251

Deerhorn property

The Company owns a 50% interest in the Deerhorn property, located in north western British Columbia, acquired from a company related by virtue of common directors. It may acquire an additional 25% interest by incurring all costs required to bring the property to commercial production.

Colorado Klondike property

During fiscal 2021, the Company entered into an option agreement to acquire a 100% interest in the Colorado Klondike property, located in south-central Colorado, USA, from Colorado Klondike LLC. The terms of the agreement include consideration for an aggregate US\$260,000 (approximately US\$50,000 per year) cash and the incurrence of an aggregate US\$300,000 in exploration expenditures on the property within five years, at which time the option may be fully exercised upon an additional payment of US\$1,200,000, or the higher real estate appraised value, to a maximum of US\$1,500,000. Upon full exercise of the option Colorado Klondike LLC will retain a 3% net smelter returns royalty ("NSR"), with the Company reserving the right to buy-back a 1% NSR for consideration of US\$1,000,000. The Company will also be required to pay an advance royalty payment of US\$60,000 per annum commencing on the first anniversary of the completion of the acquisition. The Company has paid an initial US\$50,000 (\$63,770), first year payment of US\$50,000 (\$65,325) and second year payment US\$50,000 (\$69,910) to the Optionor. During the year ended July 31, 2023, the Company also incurred other staking costs of \$29,533 (2022 - \$nil).

FIRST TELLURIUM CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended January 31, 2024 and 2023

NOTE 8 – INVESTMENT IN ASSOCIATED COMPANIES

The Company has a 49% investment in two private companies, Cheona Metals Inc. and Cheona Health Inc., which are classified as long-term investments. As the Company owns a 49% interest in each entity and maintains significant influence, but not control, the Company accounts for these investments under the equity method. Cheona Health Inc. is inactive and valued at \$nil.

The following table is a reconciliation of the investment in Cheona Metals Inc.:

Investment in Cheona Metals Inc.	
Balance at July 31, 2022	\$ 38,820
Share of gain (loss)	(463)
Impairment	(35,387)
Balance at July 31, 2023	\$ 2,970
Share of gain (loss)	608
Balance at January 31, 2024	\$ 3,578

No loss pickup is recorded for Cheona Health Inc. as the investment is carried at \$nil.

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at Jan. 31, 2024	As at July 31, 2023
Trade payables	\$ 462,485	\$ 80,346
Other accrued liabilities	151,446	170,653
Total	\$ 613,931	\$ 250,999

NOTE 10 – LOANS PAYABLE

In fiscal 2016 the Company issued debenture loans in the principal amount of \$182,000. The loans bear an annual interest rate of 10% and matured on March 2, 2021. The Company recorded interest expense of \$13,714 (2023 - \$8,719) in relation to the accrued interest on the debenture loans and is included in accounts payable and accrued liabilities.

In fiscal 2018, the Company made the required interest payments under the loan agreements, however the Company has not received a waiver of non-payment, accordingly; the loans have been presented as current. Interest payments for the further periods remain outstanding. The Company is therefore currently in default for interest payments due.

FIRST TELLURIUM CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended January 31, 2024 and 2023

NOTE 11 – SHARE CAPITAL

a) **Authorized:** An unlimited number of common shares without par value.

b) **Share issuance:**

Fiscal 2024

On October 30, 2023, the Company completed the first tranche of a non-brokered private placement, issuing 1,890,000 units at a price of \$0.10 per unit and 1,690,000 flow-through shares at a price of \$0.12 for proceeds of \$202,800. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.15 per share for a period of two years. No value was attributed to the warrant portion of the units. The Company recorded a flow-through share premium liability of \$33,800 in connection with the issuance of the flow-through shares.

On December 22, 2023, the Company completed the second and final tranche of a non-brokered private placement, issuing 335,000 units at a price of \$0.10 per unit for proceeds of \$33,500. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.15 per share for a period of two years. No value was attributed to the warrant portion of the units.

In January 2024, the Company issued 900,000 common shares on the exercise of warrants for gross proceeds of \$108,000.

Fiscal 2023

On November 18, 2022, the Company completed the first tranche of a non-brokered private placement, issuing 400,000 units at a price of \$0.10 per unit and 2,600,000 flow-through shares at a price of \$0.14 per flow-through share for aggregate proceeds of \$404,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.15 per share for a period of two years. No value was attributed to the warrant portion of the units. The Company recorded a flow-through share premium liability of \$104,000 in connection with the issuance of the flow-through shares.

On December 21, 2022, the Company completed the second tranche of a non-brokered private placement, issuing 9,656,000 units at a price of \$0.10 per unit and 150,000 flow-through shares at a price of \$0.14 per flow-through share for aggregate proceeds of \$986,600. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.15 per share for a period of two years. No value was attributed to the warrant portion of the units. The Company recorded a flow through share premium liability of \$6,000 connection with the issuance of the flow-through shares. The Company paid a cash finder's fee of \$1,500, other issuance costs of \$3,069 and issued 319,900 common shares valued at \$36,789 were issued in connection with the second tranche close.

FIRST TELLURIUM CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended January 31, 2024 and 2023

NOTE 11 – SHARE CAPITAL *(continued)*

b) **Share issuance (continued):**

Fiscal 2023 (continued)

On January 3, 2023, the Company completed the third and final tranche of a non-brokered private placement, issuing 1,250,000 units at a price of \$0.10 per unit for total proceeds of \$125,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.15 per share for a period of two years. No value was attributed to the warrant portion of the units.

On February 10, 2023, the Company issued 2,000,000 common shares at fair value of \$0.23 per share as consideration for the acquisition of a diamond drill.

During fiscal 2023, the Company issued 293,500 common shares on the exercise of warrants for gross proceeds of \$35,220.

c) **Stock options**

The Company is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company, on a rolling basis. Options may be granted at an exercise price of no less than a 25% discount of the market price on the date of the grant, or such higher price as determined by the board of directors. Options can be granted for a maximum term of ten years. Vesting may be set on an individual basis as determined by the board of directors.

As at January 31, 2024, all outstanding stock options were vested and exercisable, with a weighted average exercise price of \$0.11.

The continuity for stock options for the period ended January 31, 2024, is as follows:

Number outstanding July 31, 2023	Granted	Exercised	Expired/Cancelled	Number outstanding Jan. 31, 2024	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
750,000	-	-	-	750,000	\$0.14	April 5, 2028	4.18
1,050,000	-	-	-	1,050,000	\$0.10	March 6, 2030	6.10
150,000	-	-	-	150,000	\$0.10	August 6, 2030	6.52
750,000	-	-	-	750,000	\$0.11	October 1, 2031	7.68
600,000	-	-	-	600,000	\$0.11	October 18, 2031	7.72
100,000	-	-	-	100,000	\$0.19	August 22, 2032	8.57
1,200,000	-	-	-	1,200,000	\$0.14	December 30, 2032	8.92
-	2,150,000	-	-	2,150,000	\$0.10	January 9, 2034	9.16
4,600,000	2,150,000	-	-	6,750,000	\$0.11	<i>(weighted average)</i>	7.73
				Exercisable			
\$0.12	-	-	-	6,750,000	\$0.11	<i>(weighted average)</i>	-

FIRST TELLURIUM CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended January 31, 2024 and 2023

NOTE 11 – SHARE CAPITAL *(continued)*

c) Stock options (continued)

The continuity for stock options for the period ended January 31, 2023 is as follows:

Number outstanding July 31, 2022	Granted	Exercised	Expired/Cancelled	Number outstanding Jan. 31, 2023	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
750,000	-	-	-	750,000	\$0.14	April 5, 2028	5.43
1,050,000	-	-	-	1,050,000	\$0.10	March 6, 2030	7.35
150,000	-	-	-	150,000	\$0.10	August 6, 2030	7.77
750,000	-	-	-	750,000	\$0.11	October 1, 2031	8.92
600,000	-	-	-	600,000	\$0.11	October 18, 2031	8.97
-	100,000	-	-	100,000	\$0.19	August 19, 2032	9.68
-	1,200,000	-	-	1,200,000	\$0.14	December 30, 2032	9.92
3,300,000	1,300,000	-	-	4,600,000	\$0.121	<i>(weighted average)</i>	8.94
\$0.11	\$0.19	-	-	4,141,666	\$0.11	<i>(weighted average)</i>	-

d) Share-based compensation

Fiscal 2024

The fair value of 2,150,000 options granted on January 9, 2024 with an exercise price of \$0.10 was determined using a risk free interest rate of 3.2%, an expected volatility of 175%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of \$192,367 or \$0.09 per option share.

Fiscal 2023

The fair value of 100,000 options granted on August 19, 2022 with an exercise price of \$0.19 was determined using a risk free interest rate of 3.1%, an expected volatility of 182%, an expected life of ten years and an expected dividend rate of zero, resulting in a fair value of \$20,422 or \$0.20 per option share.

FIRST TELLURIUM CORP.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended January 31, 2024 and 2023

NOTE 11 – SHARE CAPITAL *(continued)*

e) **Share-purchase warrants:**

The continuity for share purchase warrants for the period ended January 24, 2024 is as follows:

Number outstanding July 31, 2023	Granted	Exercised	Expired/Cancelled	Number outstanding Jan. 24, 2024	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
400,000	-	-	(400,000)	-	\$0.45	December 30, 2023	-
5,656,500	-	-	-	5,656,500	\$0.12	March 31, 2024	0.33
6,350,000	-	(900,000)	-	5,450,000	\$0.12	March 31, 2024	0.33
2,875,000	-	-	-	2,875,000	\$0.12	March 31, 2024	0.33
7,350,000	-	-	-	7,350,000	\$0.12	March 31, 2024	0.33
400,000	-	-	-	400,000	\$0.15	November 17, 2024	0.80
9,656,000	-	-	-	9,656,000	\$0.15	December 21, 2024	0.89
1,250,000	-	-	-	1,250,000	\$0.15	January 3, 2025	0.93
-	1,890,000	-	-	1,890,000	\$0.15	October 30, 2025	1.75
-	335,000	-	-	335,000	\$0.15	December 22, 2025	1.91
33,937,500	2,225,000	(900,000)	(400,000)	34,862,500	\$0.13	<i>(weighted average)</i>	0.60
-	-	-	-	Exercisable 34,862,500	\$0.13	-	-

e) **Share-purchase warrants: (continued)**

The continuity for share purchase warrants for the period ended January 31, 2023 is as follows:

Number outstanding July 31, 2022	Granted	Exercised	Expired/Cancelled	Number outstanding Jan. 31, 2023	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
1,600,000	-	(1,400,000)	(200,000)	-	\$0.10	November 6, 2022	-
1,200,000	-	-	(1,200,000)	-	\$0.10	December 11, 2022	-
5,825,000	-	-	-	5,825,000	\$0.12	October 13, 2023	0.74
6,350,000	-	-	-	6,350,000	\$0.12	October 29, 2023	0.75
3,000,000	-	-	-	3,000,000	\$0.12	November 12, 2023	0.78
7,375,000	-	(25,000)	-	7,350,000	\$0.12	November 26, 2023	0.82
400,000	-	-	-	400,000	\$0.45	December 30, 2023	0.95
-	400,000	-	-	400,000	\$0.15	November 17, 2024	1.80
-	9,656,000	-	-	9,656,000	\$0.15	December 21, 2024	1.88
-	1,250,000	-	-	1,250,000	\$0.15	January 3, 2025	1.92
2,800,000	11,306,000	(1,425,000)	(1,400,000)	34,231,000	\$0.13	<i>(weighted average)</i>	1.14
-	\$0.15	\$0.10	\$0.10	Exercisable 34,231,000	\$0.13	-	-

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NOTE 12 – NON-CONTROLLING INTEREST

The following table presents the changes in equity attributable to the 49% non-controlling interest in 1406975 BC Ltd.:

	Jan. 31, 2024	July 31, 2023
Balance, beginning of period	\$ (20,231)	\$ (20,231)
Share of loss for the period	-	-
	\$ (20,231)	\$ (20,231)

The following table presents the non-controlling interest:

	Jan. 31, 2024	July 31, 2023
Assets	\$ 3,712	\$ 3,712
Liabilities	(45,000)	(45,000)
Net assets	(41,288)	(41,288)
Non-controlling interest (49%)	(20,231)	(20,231)

NOTE 13 – RELATED PARTY TRANSACTIONS

- a) The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers, directors or close family members of those individuals as follows:

Name	Nature of transactions
Docherty Capital Corp. (Tyrone Docherty)	Management fees charged as CEO, expense allowances, share-based compensation
Saulnier Business Consulting LLC (Pamela Saulnier)	Management fees charged as CFO, expense allowances, share-based compensation
Josef Fogarassy	Consulting fees charged by a director, expense allowances, share-based compensation
Allen Schwabe	Directors fees, share-based compensation
Matt Wayrynen	Directors fees, share-based compensation
Frederick Jung	Directors fees, share-based compensation

The Company incurred the following fees with individuals and / or companies owned, or partially owned, by key management which the Company defines as officers and directors.

For the period ended	Jan. 31, 2024	Jan. 31, 2023
Management fees CEO	\$ 120,000	\$ 120,000
Management fees CFO	24,000	24,000
Consulting fees	30,000	30,000
Rent (included in office and miscellaneous)	9,000	9,000
Share-based compensation	22,500	50,000
Total	\$ 205,500	\$ 233,000

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NOTE 13 – RELATED PARTY TRANSACTIONS *(continued)*

The Company owes amounts to key management personnel and other related parties as follows:

Six months ended January 31,	2024		2023	
Due to key management or companies controlled by key management personnel	\$	29,900	\$	17,258
Total	\$	29,900	\$	17,258

Balances owed to related parties are unsecured and non-interest bearing. Included in prepaid expenses \$57,431 (2023 - \$57,431) paid to key management.

NOTE 14 – SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets in Canada and the United States, as described in note 9. Other long-term assets attributable to the geographical locations relate primarily to equipment and reclamation deposits in Canada.

NOTE 15 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value (“FV”) hierarchy has the following levels:

Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices); and

Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company’s financial instruments consist of cash, receivables, reclamation deposit, accounts payable and accrued liabilities, loans payable, lease liability and due to related parties.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, receivables, reclamation deposit, accounts payable and accrued liabilities, loans payable, lease liability and due to related parties approximate their fair value because of the short term nature of these instruments.

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NOTE 15 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, receivables and deposits. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances or debt financings. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company has cash balances and debt. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk.

Commodity price risk

The Company is nominally exposed to price risk with respect to commodity and equity prices. 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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NOTE 16 – CAPITAL MANAGEMENT

The Company manages common shares, stock options, and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company does not pay out dividends at this time. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. Cash consists of cash on hand, balances with banks and investments in highly liquid instruments, if any. The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents as the fair value approximates carrying value. There have been no changes to the Company's approach to capital management during the period ended January 31, 2024. The Company is not subject to externally imposed capital requirements.