Newpath Resources Inc.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JULY 31, 2024 AND 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDIT OR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

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

Newpath Resources Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
AS AT

	July 31, 2024	April 30, 2024
ASSETS		
Current assets		
Cash	$ 46,389	$ 39,200
Marketable securities (Note 4)	229,269	362,210
GST receivable	2,321	25,138
Prepaid expenses and deposits	15,252	3,784
Total current assets	293,231	430,332
Non-current assets		
Long-term deposits (Note 5)	35,538	35,538
Exploration and evaluation assets (Note 5)	1,150,046	1,147,627
Total assets	$ 1,478,815	$ 1,613,497
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8, 10)	$ 1,204,246	$ 1,064,406
Flow-through liability (Note 9)	11,040	12,721
Convertible debentures (Note 8)	2,201,950	2,201,950
Total liabilities	3,417,236	3,279,077
Equity		
Share capital (Note 9)	26,948,388	26,948,388
Reserves (Note 9)	4,675,466	4,675,466
Deficit	(33,562,275)	(33,289,434)
Total equity	(1,938,421)	(1,665,580)
Total liabilities and equity	$ 1,478,815	$ 1,613,497

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board:

"Darren Collins", Director *"Alex McAulay"*, Director

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

Newpath Resources Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE THREE MONTHS ENDED JULY 31,

	2024	2023
EXPENSES		
Consulting fees (Note 10)	$ 17,456	$ 56,953
Management fees (Note 10)	15,694	52,907
Marketing	375	4,934
Office and miscellaneous	4,347	4,997
Insurance expenses	2,900	3,151
Professional fees	8,750	23,528
Transfer agent and regulatory fees	4,014	5,557
Payroll expense (Note 10)	20,280	84,307
Travel and accommodation	-	6,591
	73,816	242,925
OTHER INCOME (EXPENSES)		
Foreign exchange gain (loss)	(657)	3
Transaction costs on marketable securities (Note 4)	(945)	-
Unrealized loss on marketable securities (Note 4)	(83,526)	(177,400)
Realized loss on marketable securities (Note 4, 6)	(3,403)	(26,030)
Impairment of exploration and evaluation assets (Note 5)	-	(231)
Unrealized loss on derivative assets (Note 7)	-	(72,645)
Impairment of investment in associate (Note 6)	-	(79,059)
Share of loss of investment in associate (Note 6)	-	(941)
Interest expense (Note 8)	(111,179)	(68,195)
Accretion expense (Note 8)	-	(58,162)
Flow-through premium liability recovery (Note 9)	1,681	-
Flow-through tax expense (Note 9)	(996)	-
Total other income (expenses)	(199,025)	(482,660)
Net loss and comprehensive loss for the year	$ (272,841)	$ (725,585)
Loss per share		
Basic & diluted	$ (0.01)	$ (0.05)
Weighted average shares outstanding		
Basic & diluted	19,867,748	15,817,748

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

Newpath Resources Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE THREE MONTHS ENDED JULY 31,

		2024		2023
CASH FLOW USED IN OPERATING ACTIVITIES				
Net loss for the period	$	(272,841)	$	(725,585)
Items not affecting cash:				
Unrealized loss on marketable securities		83,526		177,400
Realized loss on marketable securities		3,403		26,030
Impairment of investment in associate		-		79,059
Share of loss of investment in associate		-		941
Unrealized loss on derivative asset		-		72,645
Flow-through premium liability recovery		(1,681)		-
Impairment of exploration and evaluation assets		-		231
Accretion expense		-		58,162
Changes in non-cash working capital items:				
GST receivable		22,817		21,567
Prepaid expenses and deposits		(11,468)		(20,229)
Accounts payable and accrued liabilities		139,496		124,335
Net cash used in operating activities		(36,748)		(185,444)
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of marketable securities		46,012		224,100
Exploration and evaluation expenditures		(2,075)		(5,667)
Net cash provided by (used in) investing activities		43,937		218,433
Change in cash		7,189		32,989
Cash, beginning of year		39,200		81,188
Cash, end of year	$	46,389	$	114,177

Supplemental disclosure of cash flow information:

Non-cash investing and financing activities:				
Exploration expenditures included in accounts payable and accrued liabilities	$	344	$	34,888
Transaction costs associated with marketable securities	$	945	$	3,142

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

Newpath Resources Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital						
	Common Shares		Amount	Reserves	Deficit		Total Equity
Balance, April 30, 2023	15,817,748	$	26,512,192	4,653,783	(31,270,006)	$	(104,031)
Loss for the period	-		-	-	(725,585)		(725,585)
Balance, July 31, 2023	15,817,748	$	26,512,192	4,653,783	(31,995,591)	$	(829,616)
Balance, April 30, 2024	19,867,748	$	26,948,388	4,675,466	(33,289,434)	$	(1,665,580)
Loss for the period	-		-	-	(272,841)		(272,841)
Balance, July 31, 2024	19,867,748	$	26,948,388	4,675,466	(33,562,275)	$	(1,938,421)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Newpath Resources Inc. ("Newpath" or the "Company") is a company incorporated on April 16, 2006 under the Business Corporations Act (British Columbia) as CCT Capital Ltd. The Company is now in the business of acquiring, exploring, and evaluating mineral resource properties in Canada.

On December 8, 2022, the Company changed its name from Ready Set Gold Corp. to Newpath Resources Inc. In connection with this change, the Company's Canadian Securities Exchange trading symbol was also changed from "RDY" to "PATH". The Company's head office, registered office and records office is located at Suite 220 - 333 Terminal Avenue, Vancouver, BC, Canada.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the three months ended July 31, 2024, the Company incurred a net loss of $272,841 (2023 - $725,585) and as at July 31, 2024, had an accumulated deficit of $33,562,275 (April 30, 2024 - $33,289,434). The Company has not generated significant cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These condensed consolidated interim financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying condensed consolidated interim financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2024.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its condensed consolidated interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended April 30, 2024. In addition, other than noted below, the accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended April 30, 2024.

The Company's interim results are not necessarily indicative of its results for a full year.

These condensed consolidated interim financial statements were authorized and issued by the Board of Directors on September 27, 2024.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

Principles of Consolidation

These condensed consolidated interim financial statements are presented on a consolidated basis and include the accounts of the Company and its subsidiary. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity and be exposed to variable returns from its activities. Details of the Company's subsidiary are as follows:

Entity	Place of Incorporation	Ownership Percentage
Ready Set Gold ON Ltd.	British Columbia, Canada	100%

All intercompany transactions and balances have been eliminated on consolidation.

Significant Accounting Judgements and Critical Accounting Estimates

The preparation of the Company's condensed consolidated interim 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 condensed consolidated interim financial statements and reported amounts of income 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.

In preparing these condensed consolidated interim financial statements, the significant accounting judgments and critical accounting estimates were the same as those applied to the audited financial statements as at and for the year ended April 30, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with the accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended April 30, 2024. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2024.

4. MARKETABLE SECURITIES

During the three months ended July 31, 2024, the Company disposed of 166,526 shares of Forty Pillars Mining Corp, 30,000 shares of Opawica Explorations Inc., and 452,000 shares of Origen Resources Inc. for net proceeds of $38,523. The Company recognized a realized loss of $9,948 and incurred $945 in transaction costs in connection with the disposal of these shares.

During the three months ended July 31, 2023, the Company sold 600,000 shares in Nevgold Corp. and 59,000 shares in Cleghorn Minerals Ltd for net proceeds of $224,100. The Company recognized a realized loss of $26,030 and incurred $3,142 in transaction costs in connection with the sale of these shares.

	Forty Pillars Mining Corp.	Nevgold Corp.	Opawica Explorations Inc.	Origen Resources Inc.	Cleghorn Minerals Ltd.	Total
Balance, April 30, 2023	**$ 10,000**	**$ 246,000**	**$ 4,200**	**$ 335,500**	**$ 272,580**	**$ 868,280**
Disposals	-	(246,000)	-	(16,770)	(4,130)	(266,900)
Unrealized gain (loss)	7,500	-	(1,650)	(245,020)	-	(239,170)
Balance, April 30, 2024	**$ 17,500**	**$ -**	**$ 2,550**	**$ 73,710**	**$ 268,450**	**$ 362,210**
Disposals	(17,485)	-	(2,550)	(29,380)	-	(49,415)
Unrealized gain (loss)	(6)	-	-	(6,820)	(76,700)	(83,526)
Balance, July 31, 2024	**$ 9**	**$ -**	**$ -**	**$ 37,510**	**$ 191,750**	**$ 229,269**

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

The following table summarizes costs of expenditures on exploration and evaluation assets for the three months ended July 31, 2024, and the year ended April 30, 2024.

Acquisition costs		**Northshore Property**		**Schreiber Area Claims**		**Orefield Project**		**Total**
Balance, April 30, 2023	**$**	**500,000**	**$**	**25,000**	**$**	**242,667**	**$**	**767,667**
Additions		-		-		108,542		108,542
Balance, April 30, 2024	**$**	**500,000**	**$**	**25,000**	**$**	**351,209**	**$**	**876,209**
Additions		-		-		344		344
Balance, July 31, 2024	**$**	**500,000**	**$**	**25,000**	**$**	**351,553**	**$**	**876,553**

Exploration costs		**Northshore Property**		**Schreiber Area Claims**		**Orefield Project**		**Total**
Balance, April 30, 2023	**$**	**-**	**$**	**-**	**$**	**92,146**	**$**	**92,146**
Geological consulting		714		-		286,554		287,268
Equipment expenses		-		-		32,546		32,546
Satellite imaging		-		-		19,796		19,796
Laboratory analysis		-		-		17,526		17,526
Exploration assistance		-		-		(177,150)		(177,150)
Impairment		(714)		-		-		(714)
Balance, April 30, 2024	**$**	**-**	**$**	**-**	**$**	**271,418**	**$**	**271,418**
Geological consulting		-		-		2,075		2,075
Balance, July 31, 2024	**$**	**-**	**$**	**-**	**$**	**273,493**	**$**	**273,493**

NET BOOK VALUE								
Balance, April 30, 2024	**$**	**500,000**	**$**	**25,000**	**$**	**622,627**	**$**	**1,147,627**
Balance, July 31, 2024	**$**	**500,000**	**$**	**25,000**	**$**	**625,046**	**$**	**1,150,046**

The Company paid a $75,000 deposit to a vendor for drilling work on the Northshore property. The deposit will be deducted from future drilling invoices until fully applied. As at July 31, 2024, the Company had a remaining deposit of $35,538 (April 30, 2024 - $35,538).

Northshore Property

On June 1, 2020, the Company entered a definitive agreement with CBLT Inc. ("CLBT") to acquire CLBT's right, title and interest in and to its 56% interest in the Northshore Gold Property (the "Northshore Property"), located in the Schreiber-Hemlo Greenstone Belt, 115 km west of Hemlo and 200 km east of Thunder Bay. The Company paid $25,000 upon initially signing a letter of intent ("LOI") with CLBT, and an additional $25,000 upon the signing of the definitive agreement.

Under the terms of the agreement, the Company agreed to pay CLBT cash consideration of $300,000 and issue to CLBT $1,100,000 worth of common shares in the capital of the Company. Under the terms of the agreement, the Company also agreed to consolidate its total issued and outstanding common shares on the basis of five pre-consolidation shares for one post-consolidation share prior to closing and to raise gross proceeds of not less than $1.5 million through a private placement financing ("the Financing"). However, CBLT waived the requirements for the Company to complete this share consolidation and the Financing.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

On August 18, 2020, the Company completed the acquisition of CBLT's 56% interest in the Northshore Property by making a cash payment of $300,000 and issuing 366,667 Newpath shares with a fair value of $1,100,000.

On June 22, 2020, the Company signed a definitive agreement with Balmoral Resources Ltd. ("Balmoral"), a subsidiary of Wallbridge Mining Company Limited, to obtain the remaining 44% of the Northshore Property, giving the Company 100% ownership of the property. The Company paid $17,500 upon initially signing an LOI and paid an additional $17,500 upon signing the definitive agreement on June 22, 2020.

Under the terms of the agreement, the Company agreed to pay Balmoral cash consideration of $220,000, and issue to Balmoral 266,667 common shares of the Company. Under the terms of the agreement, the Company also agreed to consolidate its common shares on the basis of five pre-consolidation shares for one post-consolidation share prior to closing, and to complete the Financing as described above. Balmoral also waived the requirements for the Company to complete the consolidation and the Financing.

On August 31, 2020, the Company completed the acquisition of Balmoral's 44% interest in the Northshore Property by making a cash payment of $220,000 and issuing 266,667 common shares in the capital of the Company with a fair value of $800,000. Subsequent to the acquisition of the 44% interest, the Company officially held a 100% interest in the Northshore Property.

Impairment of the Northshore Property

During the year ended April 30, 2022, as a result of new information received regarding an independent review of the 2014 mineral resource estimate on the Northshore Property, management determined that the carrying amount of costs capitalized to the property is unlikely to be recovered. As a result of this development, the Company performed an impairment test on its Northshore Property. The recoverable amount of the mineral property was assessed based on the property's fair value less costs of disposal given a value in use calculation is not applicable.

The recoverable amount was determined to be $500,000 using independently available market data. Based on this data, the Northshore Property was determined to have a fair value of $500,000. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

As a result of the impairment test, the carrying value of the Northshore Property was found to exceed its recoverable amount by $3,152,450. An impairment charge of $3,152,450 was applied to exploration and evaluation assets during the year-ended April 30, 2022.

During the three months ended July 31, 2024, the Company reviewed the Northshore Property impairment assessment and recoverable amount. The Company determined that the impairment indicators and recoverable amount in place for the year ended April 30, 2022 were also applicable as of July 31, 2024.

Schreiber Area Claims

On August 14, 2020, the Company entered into a purchase agreement with Trillium Mining Corp. to purchase a 100% owned interest in mining rights of 11 contiguous claims comprising a total of 233.963 hectares located in the Schreiber Area of Thunder Bay Mining Division, Ontario. The Company agreed to pay Trillium Mining Corp. a cash consideration of $25,000, which the Company paid on August 18, 2020. As at July 31, 2024 all of the claims are in good standing.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

Orefield Project

On December 7, 2022, the Company entered into an option agreement to acquire a 100% interest in 949 unpatented mineral claims over approximately 204 square kilometers in northwestern Ontario.

Under the terms of the option agreement, the Company has the option to acquire a 100% interest in the mineral property by:

i. Paying all staking costs related to the project

ii. Issuing an aggregate of 500,000 common shares of the Company to the optionors on execution of the agreement (issued at fair value of $40,000)

iii. Issuing an aggregate of 1,000,000 common shares of the Company to the optionors on or before the first signing anniversary of the agreement (issued at fair value of $105,000)

Upon exercising the option, the optionors will retain a 2% net smelter returns royalty, of which 25% may be purchased by the Company for $500,000 up until the fifth signing anniversary of the agreement, and the remaining 75% of the royalty may be purchased by the Company for $2,500,000 until the tenth signing anniversary of the agreement.

Additionally, the Company has agreed to make the following advanced royalty payments to the optionors, starting on the sixth signing anniversary of the agreement:

i. $20,000 per year, between the sixth and tenth signing anniversaries;

ii. $40,000 per year, between the 11th and 20th signing anniversaries; and

iii. $500,000 as a one-time payment on the 21st signing anniversary.

These payments will be deducted from any royalty payments. There is no exploration expenditure commitment contemplated in the agreement.

The Company has also agreed to pay a finder's fee of 500,000 common shares to an arm's length party for their contributions in securing the agreement. The common shares were issued at the date of the agreement at a fair value of $40,000 and were capitalized to the acquisition cost of the Orefield project. The Company also incurred $166,209 in staking costs that were capitalized to the acquisition cost of the property.

6. INVESTMENT IN ASSOCIATE

On September 6, 2022, Volatus Capital Corp., a company listed on the CSE which conducts exploration and evaluation operations, closed the first tranche of a non-brokered private placement for $717,500 through the issuance of 4,750,000 flow through units and 9,600,000 non-flow through units at $0.05 per unit. Each unit consists of one common share and one common share purchase warrant, entitling the holder to purchase one common share of Volatus at $0.06 per share expiring September 6, 2027.

In connection with the private placement, the Company acquired 8,000,000 non-flow through units of Volatus for $400,000. At the time of the acquisition, the 8,000,000 units represented 24.65% of shares outstanding, or 30.65% of the potential voting rights of Volatus including unexercised warrants.

During the year ended April 30, 2024, as a result of a prolonged decline in the fair value of the Volatus shares, management identified that the investment in associate may be impaired. As a result of this development, the Company

6. INVESTMENT IN ASSOCIATE (Continued)

performed an impairment test on its Volatus investment. The recoverable amount of the investment was assessed based on the fair value of the Volatus shares given a value in use calculation is not applicable.

During the year ended April 30, 2024, the recoverable amount of the Volatus investment was determined to be $80,000 using publicly available share prices. Based on this data, the carrying value of the Volatus investment was found to exceed its recoverable amount by $79,059. Accordingly, an impairment loss of $79,059 was recognized. As at April 30, 2024, the carrying value of the investment in associate was determined to be $Nil after deducting the Company's share of the net loss and considering liquidity and available share prices for the Volatus investment.

During the three months ended July 31, 2024, the Company disposed of 1,186,000 shares of Volatus, bringing its ownership of the associate down to 18.53%. In connection with this decline in ownership, significant influence was no longer held over the investment and Volatus ceased to be an associate of the Company. The Company recognized a realized gain of $6,545 pursuant to the sale of these shares. The Company determined that the impairment indicators and recoverable amount in place for its investment in Volatus were still applicable following the share sale. As such, the Volatus investment had a carrying value of $Nil as of July 31, 2024.

7. DERIVATIVE ASSETS

In connection with its investment in Volatus (Note 6), the Company also received 8,000,000 share purchase warrants. The warrants were determined to be a separable derivative instrument as they are transferable under the subscription agreement and are classified as a financial asset. The warrants are measured at fair value through profit or loss and were classified within Level 2 of the fair value hierarchy.

During the year ended April 30, 2024, in connection with the impairment of its Volatus investment, the Company's warrants were determined to have a value of $Nil. There was no change (2023 - $72,645 decline in value) in the value of the warrants during the three months ended July 31, 2024.

8. CONVERTIBLE DEBENTURES

During the year ended April 30, 2022, the Company closed a private placement of 2,261 units (the "Units") priced at $1,000 per Unit as follows:

a) The Company closed Tranche 1 on June 21, 2021, issuing 1,820 Units for gross proceeds of $1,820,000

b) The Company closed Tranche 2 on July 28, 2021, issuing 441 Units for gross proceeds of $441,000

Each Unit is comprised of:

i. A $1,000 convertible debenture principal amount, bearing interest at 7.5% per annum and increasing to 9% in the third year following issuance. Interest is payable annually, up to and including the maturity date which is three years from the date of issuance.

ii. 667 common share purchase warrants of the Company. Each warrant will be exercisable at a price of $2.35 per warrant share for a period of three years from the date of issuance. A total of 1,507,635 warrants were issued.

The principal amount of the debentures may be converted, in whole or in part, at any time before the maturity date into units at $1.35 per common share. After 24 months from the closing date, if the common shares trade at or above $4.50 or 233% of the conversion price on a 30-day volume-weighted average price basis on the CSE, the Company shall have the right, exercisable within 10 business days of the end of the trading period, to require conversion of the debentures into debenture shares at the conversion price by giving the holder 10 business days' prior written notice.

(Expressed in Canadian Dollars)

8. CONVERTIBLE DEBENTURES (Continued)

The convertible debentures were determined to be a financial instrument comprising an equity classified conversion feature with a host debt component. On initial recognition, the Company used the residual value method to allocate the principal amount of the convertible debentures between the two components. The host debt component was first valued, based on similar debt securities without an embedded conversion feature and the residual was allocated to the equity-classified conversion feature. Based on this valuation approach, a discount rate of 15% was used in valuing the host debt component. The equity-classified conversion feature was also split into the warrant portion and the common share portion (Note 9).

In connection with the issuance of the convertible debentures, the Company:

a) Issued an aggregate of 77,135 finders' warrants, valued at $74,733 based on their grant date fair value determined using the Black-Scholes Option Pricing Model.

b) Incurred $199,383 in directly attributable cash transaction costs for finders' fees.

The transaction costs were allocated consistent with the initial recognition of the convertible debentures which resulted in $219,039 and $55,077 being allocated to the debt and equity components, respectively.

During the year ended April 30, 2024 and the three months ended July 31, 2024, the Company failed to make scheduled interest payments on its convertible debentures. As such, the Company was in default on the debentures. Pursuant to this default, additional interest was applied at a rate of 12% per annum, calculated daily on the maximum principal amounts outstanding on the date that the interest payments were due. The carrying value of the debentures outstanding was also accreted up to the principal amount owed on the date of default.

A continuity of the Company's convertible debentures is as follows:

		Carrying Value of Convertible Debentures
Balance, April 30, 2023	**$**	**1,920,330**
Accretion		281,620
Balance, April 30, 2024, and July 31, 2024	**$**	**2,201,950**

As of July 31, 2024, $672,030 in interest was accrued on the convertible debentures (April 30, 2024 - $560,851). This interest is included in accounts payable and accrued liabilities.

9. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of voting common shares without par value.
Unlimited number of preferred shares without par value.

b) Issued share capital

As at July 31, 2024, the Company had 19,867,748 common shares issued and outstanding (April 30, 2024 – 19,867,748).

The Company had no share capital activity during the three months ended July 31, 2024 or 2023.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (Continued)

On December 29, 2023, the Company issued 1,045,000 common shares pursuant to a flow-through private placement at a price of $0.115 per share for total gross proceeds of $120,175. $6,038 in share issuance costs were incurred in connection with the issuance of these shares.

The premium received on the issuance of the flow-through shares was recognized as a liability on the Company's condensed consolidated interim statements of financial position. As at July 31, 2024, the Company was required to spend $63,478 in connection with the flow-through shares. The continuity of the flow-through premium liability is as follows:

		Carrying Value of Flow-through Liability
Balance, April 30, 2023	**$**	**-**
Flow-through premium liability recognized		20,900
Recognized in profit or loss upon incurring qualifying expenditures		(8,179)
Balance, April 30, 2024	**$**	**12,721**
Recognized in profit or loss upon incurring qualifying expenditures		(1,681)
Balance, July 31, 2024	**$**	**11,040**

During the three months ended July 31, 2024, $996 (2023 - $Nil) in Part XII.6 tax expenses were accrued in connection with the Company's flow-through shares. These taxes are included in accounts payable and accrued liabilities.

c) Stock options

On February 11, 2023, the Company's shareholders approved the adoption of a new hybrid equity compensation plan. Under the new plan, the maximum number of shares issuable pursuant to options shall be equal to 10% of the then issued and outstanding shares on a rolling basis. In addition, the maximum number of shares issuable pursuant to share appreciation rights, restricted share units, deferred share units and performance share units shall not exceed 1,581,775 shares, representing 10% of the Company's issued and outstanding shares as of the effective date of the plan. The exercise price of such units shall be determined by the Board of Directors and must be at least equal to the closing price of Company's shares on the CSE on the day immediately prior to the grant date. Units are non-transferable and may be granted for a maximum of ten years from the date of issuance.

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, April 30, 2023	**1,095,000**	**$**	**0.77**
Forfeited	(265,000)		(1.06)
Balance, April 30, 2024 and July 31, 2024	**830,000**	**$**	**0.68**
Number of options, exercisable	**830,000**	**$**	**0.68**

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (Continued)

As at July 31, 2024, the following stock options were outstanding and exercisable:

Outstanding Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date
400,000	400,000	$0.25	February 24, 2025
60,000	60,000	$3.00	December 4, 2025
30,000	30,000	$1.25	June 1, 2026
10,000	10,000	$1.25	November 29, 2026
40,000	40,000	$0.85	November 29, 2026
90,000	90,000	$0.60	January 17, 2027
150,000	150,000	$0.70	February 11, 2027
50,000	50,000	$0.78	February 21, 2027
830,000	**830,000**		

As of July 31, 2024, the weighted average remaining contractual life of outstanding options is 1.46 years (April 30, 2024 – 1.71 years).

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, April 30, 2023	**10,376,098**	**$**	**0.44**
Granted	1,203,000		0.20
Balance, April 30, 2024	**11,579,098**	**$**	**0.41**
Expired	(1,584,770)		2.35
Balance, July 31, 2024	**9,994,328**	**$**	**0.10**

As at July 31, 2024, the following warrants were exercisable:

Outstanding and Exercisable Number of Warrants	Exercise Price	Expiry Date
1,203,000	$0.20	October 6, 2024
50,614	$0.27	November 24, 2025
6,812,143	$0.09	November 24, 2027
1,928,571	$0.09	January 13, 2028
9,994,328		

As of July 31, 2024, the weighted average remaining contractual life of outstanding warrants is 2.96 years (April 30, 2024 – 2.79 years).

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (Continued)

e) Reserves

As at April 30, 2024, the Company had the following reserves:

		Share-based Payments		Convertible Debenture Conversion Feature		Total
Balance, April 30, 2023	**$**	**4,557,331**	**$**	**96,452**	**$**	**4,653,783**
Issuance of finders' warrants		21,683		-		21,683
Balance, April 30, 2024, and July 31, 2024	**$**	**4,579,014**	**$**	**96,452**	**$**	**4,675,466**

10. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its executive officers. During the three months ended July 31, 2024 and 2023, the Company incurred the following fees charged by directors and officers and companies controlled by directors and officers of the Company:

		For the three months ended July 31,			
Key management personnel	**Nature of transactions**		**2024**		**2023**
Company controlled by current CEO	Management	$	15,693	$	30,407
Current directors	Consulting		12,000		37,500
Current CEO	Payroll		15,600		15,600
Current CFO	Payroll		4,680		4,680
Current COO	Payroll		-		56,100
Company controlled by current COO	Exploration		-		16,096
Total		**$**	**47,973**	**$**	**160,383**

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At July 31, 2024, $419,274 (April 30, 2024 - $392,617) was owed to related parties for management and consulting fees as well as reimbursable expenses payable. These amounts are non-interest bearing, unsecured and due on demand.

11. FINANCIAL INSTRUMENTS AND RISK

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK (Continued)

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash	Amortized Cost
Marketable securities	Fair Value through Profit and Loss
Accounts payable and accrued liabilities	Amortized Cost
Convertible debenture	Amortized Cost

The carrying values of cash, accounts payable and accrued liabilities and convertible debentures approximate fair value due to their short-term nature. Marketable securities are measured at fair value using level 1 inputs. Derivative assets are measured at fair value using level 2 inputs.

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

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instrument that is exposed to concentrations of credit risk is primarily cash. The Company limits its exposure to credit risk with respect to cash by holding it with major Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2024, the Company had a cash balance of $46,389 (April 30, 2024 - $39,200) to settle current liabilities of $3,417,236 (April 30, 2024 - $3,279,077). The Company failed to make scheduled interest payments on its convertible debentures. As such, the Company was in default on the debentures at July 31, 2024. The unpaid principal and accrued interest balance pertaining to the debentures are immediately due and payable (Note 8).

Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company's convertible debenture bears interest at 9% per annum, with additional interest at 12% as they are in default. The Company is satisfied with the credit ratings of its banks and the interest rate on the convertible debenture is fixed. The Company believes it has no significant interest rate risk.

(ii) Foreign currency risk

Foreign exchange risk arises from fluctuations in the future cash flows of a financial instrument because of changes in foreign exchange rates. The Company is exposed to foreign exchange rate risk on its foreign currency denominated cash and accounts payable. As at July 31, 2024, the Company was not significantly exposed to foreign exchange risk.

11. FINANCIAL INSTRUMENTS AND RISK (Continued)

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities and derivative assets are valued either directly or indirectly based on quoted prices and are therefore directly affected by fluctuations in the market value of the underlying securities. Assuming all other variables remain constant, a 10% change in the quoted prices of the Company's marketable securities would result in an approximate $23,000 change in profit or loss.

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its capital, which comprises all components of equity (i.e., share capital, reserves and deficit) and convertible debentures.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the three months ended July 31, 2024.

13. SEGMENTED INFORMATION

During the three months ended July 31, 2024, the Company continued its one business segment in the mining sector. All non-current assets are located in Canada.