FORM 51-102F4
BUSINESS ACQUISITION REPORT

Item 1 - Identity of Company

1.1 Name and Address of Company

Hemlo Explorers Inc. ("**Hemlo**" or the "**Company**")
141 Adelaide Street West, Suite 301
Toronto, ON
M5H 3L5

1.2 Executive Officer

The following executive officer of the Company is knowledgeable about the acquisition and this business acquisition report:

Brian Howlett
President and Chief Executive Officer
Telephone: (647) 227-3035

Item 2 – Details of Acquisition

2.1 Nature of Business Acquired

On September 4, 2024, Hemlo completed an acquisition of all the issued and outstanding common shares of Rocky Shore Metals Ltd. ("**Rocky Shore**") in exchange for the issuance of an aggregate of 49,999,704 common shares ("**Hemlo Shares**") in the capital of the Company (the "**Transaction**").

Rocky Shore is focused on its Gold Anchor Project which is on trend to high grade gold discoveries in an emerging gold district in Newfoundland. Rocky Shore owns a total of three exploration properties totaling 5,807 claims with an area of approximately 146,175 ha (1,461.75 sq/km). The Gold Anchor Project makes up 4,902 claims or 122,500 ha (1,225.5 sq/km) of this portfolio and is located south of and on trend to New Found Gold Corp.'s high-grade gold Queensway Project. There are no underlying royalties on Rocky Shore's properties.

For further details please refer to the Company's news releases dated August 6, 2024 and September 5, 2024, which are filed on the Company's SEDAR+ profile at www.sedarplus.com.

2.2 Acquisition Date

The date of the acquisition used for accounting purposes is September 4, 2024.

2.3 Consideration

Pursuant to the Transaction, the consideration received by the shareholders of Rocky Shore consisted of 2.832 Hemlo Shares for every Rocky Shore share purchased ("**Rocky Shore Shares**"), with each Hemlo Share having a deemed value of $0.053. The Company issued an aggregate of 49,999,704 Hemlo Shares to former holders of Rocky Shore Shares. Following the completion of the Transaction, there are 100,724,624 Hemlo Shares outstanding.

2.4 Effect on Financial Position

The completion of the Transaction has resulted in the Company adding the Gold Anchor Project in Newfoundland to its portfolio of mineral projects. The Company intends to continue to advance its main Hemlo area projects, including Project Idaho, the Pic Project (under option to Barrick Gold Inc.) and North Limb Project, as well as advancing its Newfoundland claims, including the newly acquired Gold Anchor Project. No material changes to the business or affairs of Hemlo which may have a significant effect on the financial performance and financial position of the Company are planned at this time.

2.5 Prior Valuations

None.

2.6 Parties to Transaction

The Transaction involved the participation of "informed persons" as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*. Purchase agreements were entered into between Hemlo with all of the shareholders of Rocky Shore, including (i) Northfield Capital Corporation ("**Northfield**"), a 10% or greater holder of Hemlo Shares; (ii) Michael Leskovec, a member of the board of directors of the Company (the "**Board**") and the Chief Financial Officer of Northfield; (iii) Fraser Laschinger, Chief Financial Officer of the Company; (iv) Morris Prychidny, a member of the board of directors of Northfield; (v) John McBride, a member of the board of directors of Northfield; and (vi) Orion Capital Incorporated, beneficially owned and controlled by Maryke Ballard, a member of the board of directors of Northfield.

2.7 Date of Report

November 11, 2024.

Item 3 – Financial Statements and Other Information

The financial statements included in this business acquisition report are as follows:

<u>Appendix A – Acquisition Financial Statements</u>

(1) The audited financial statements of Rocky Shore from the date of incorporation on August 29, 2023 to January 31, 2024.

(2) The unaudited interim financial statements of Rocky Shore for the six month period ended July 31, 2024.

FORWARD-LOOKING INFORMATION

This business acquisition report contains "forward-looking information" within the meaning of applicable Canadian and United States securities exchange, including, but not limited to, the anticipated benefits of the Transaction to Hemlo and its shareholders and the future growth potential of the Company on a post-Transaction basis. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Certain information set forth in this business acquisition report may contain forward-looking information that involves substantial known and unknown risks and uncertainties. The forward-looking information is based on reasonable assumptions and estimates of the management of the Company at the time such statements were made and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Hemlo to be materially different from those expressed or implied by such forward-looking information, including risks associated with the exploration, development and mining such as economic factors as they effect exploration; future commodity prices; changes in foreign or domestic regulation; political or economic developments; environmental risks;

permitting timelines; capital expenditures; technical difficulties in connection with exploration activities; employee relations; the speculative nature of mineral exploration and development including the risks of diminishing quantities of grades of resources, contests over title to properties, the Company's limited operating history, future capital needs and uncertainty of additional financing, and the competitive nature of the mining industry; the need for the Company to manage its future strategic plans; global economic and financial market conditions; uninsurable risks; and changes in project parameters as plans continue to be evaluated. Although Hemlo has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Although the forward-looking information contained in this business acquisition report are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, Hemlo cannot assure shareholders that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. There can be no assurance that forward-looking information, or the material factors or assumptions used to develop such forward-looking information, will prove to be accurate. Hemlo does not undertake any obligations to release publicly any revisions for updating any voluntary forward-looking information, except as required by applicable securities law.

APPENDIX "A"

ACQUISITION FINANCIAL STATEMENTS

[*See attached*]

ROCKY SHORE METALS LTD.

FINANCIAL STATEMENTS
JANUARY 31, 2024

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SEGAL

SEGAL | GCSE LLP
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Rocky Shore Metals Ltd.

Opinion

We have audited the financial statements of Rocky Shore Metals Ltd. (the "Company"), which comprise the statement of financial position as at January 31, 2024 and the statement of changes in shareholders' equity, the statement of comprehensive loss, and the statement of cash flows for the period from the date of incorporation on August 29, 2023 to January 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw attention to note 1 in the financial statements, which indicates that the Company has incurred a comprehensive loss and an accumulated deficit of $826,229 for the five month period ended January 31, 2024. As stated in note 1, these events or conditions, along with other matters as set forth in note 1 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yat-Lung Shea.

(signed) "*Segal GCSE LLP*"

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 10, 2024

ROCKY SHORE METALS LTD.

STATEMENT OF FINANCIAL POSITION
AS AT JANUARY 31, 2024

ASSETS

Cash	$ 224,322
Harmonized sales taxes recoverable	34,664
	$ 258,986

LIABILITIES

Current	
Accounts payable and accrued liabilities, notes 4 and 5	$ 34,819
Due to related party, note 5	50,896
	85,715

SHAREHOLDERS' EQUITY

Share capital, note 6	999,500
Deficit	(826,229)
	173,271
	$ 258,986

Approved on behalf of the Board:

(signed) "*Ken Lapierre*" Director

(signed) "*William Johnstone*" Director

See accompanying notes to the financial statements

ROCKY SHORE METALS LTD.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM THE DATE OF INCORPORATION ON AUGUST 29, 2023 TO JANUARY 31, 2024

	Common Shares (Note 6)	Share Capital	Accumulated Deficit	Total
Balance, August 29, 2023	1	$ 1	$ -	$ 1
Share redemption, note 6	(1)	(1)	-	(1)
Issued as consideration for exploration and evaluation assets acquired - September 22, 2023, note 6	5,000,000	500,000	-	500,000
Other issuances for cash, note 6	5,100,000	510,000	-	510,000
Share issuance costs, note 6	-	(10,500)	-	(10,500)
Comprehensive loss for the period	-	-	(826,229)	(826,229)
Balance, January 31, 2024	10,100,000	$ 999,500	$ (826,229)	$ 173,271

ROCKY SHORE METALS LTD.

STATEMENT OF COMPREHENSIVE LOSS
FOR THE PERIOD FROM THE DATE OF INCORPORATION ON AUGUST 29, 2023 TO JANUARY 31, 2024

Revenue	$ -
Expenses	
Claim staking and acquisition costs, notes 3 and 5	544,265
Exploration expenditure, notes 3 and 5	226,949
Professional fees, note 5	53,670
Office and general, note 5	1,345
	826,229
Comprehensive loss for the period	$ (826,229)
Basic and diluted loss per share (note 7)	$ (0.13)

See accompanying notes to the financial statements

ROCKY SHORE METALS LTD.

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM THE DATE OF INCORPORATION ON AUGUST 29, 2023 TO JANUARY 31, 2024

Cash flows from operating activities	
Comprehensive loss for the period	$ (826,229)
Adjustments for:	
Claim staking and acquisition through issuance of common shares (i)	500,000
	(326,229)
Changes in non-cash working capital balances	
Net change in harmonized sales taxes	(34,664)
Increase in accounts payable and accrued liabilities	34,819
Increase in due to related party	50,896
Cash flows used in operating activities	(275,178)
Cash flows from financing activities	
Issuance of common shares (i)	510,000
Share issuance costs	(10,500)
	499,500
Net increase in cash	224,322
Cash, beginning of period	-
Cash, end of period	$ 224,322
Material non-cash transactions:	
(i) Issuance of shares in exchange for exploration and evaluation assets	$ 500,000

1. NATURE OF BUSINESS, GOING CONCERN AND STATEMENT OF COMPLIANCE

Nature of business

Rocky Shore Metals Ltd. ("the Company") was incorporated under the laws of Canada. The Company is a Canadian controlled private junior natural resource company in the business of exploring and evaluating resource properties. The head office of the Company is located at 22 Adelaide Street West Suite 3600, Toronto, Ontario, M5H 4E3.

The Company is engaged in the acquisition and exploration of mining properties. The exploration of mineral deposits involves significant financial risks. The success of the Company will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory requirements.

Going concern

For the period from August 29, 2023, the date of incorporation to January 31, 2024, the Company recorded a comprehensive loss and had an accumulated deficit of $826,229. As at January 31, 2024, the Company has yet to generate revenues from operations. Management periodically seeks additional forms of financing through the issuance of shares to continue its operations. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in the financial statements. It is not possible at this time to predict with assurance the outcome of these investments.

Given that the Company has yet to achieve sales levels adequate to support the Company's cost structure, and has not generated any income nor cash flows from operations, there is significant doubt regarding the Company's ability to continue as a going concern.

Statement of compliance

These 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") effective for the Company's reporting for the period ended January 31, 2024.

These financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business, and on a historical cost basis except for the revaluation of certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements were authorized for issue by the Board of Directors on October 10, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been applied in the preparation of these financial statements are summarized as follows:

Basis of measurement

The financial statements are presented in Canadian dollars which is the functional currency of the Company.

The financial information furnished herein reflects all adjustments, which, in the opinion of management, are considered necessary for a fair statement of results in accordance with IFRS. All adjustments have been included and properly prepared within reasonable limits of materiality and within the framework of the material accounting policies summarized below.

Financial instruments

Financial assets and liabilities are recognized on the trade date at which the Company becomes a party to the contractual arrangement of the instrument.

The Company's financial instruments consist of the following:

Financial assets	IFRS 9 Classification
Cash	FVTPL

Financial liabilities	IFRS 9 Classification
Accounts payable and accrued liabilities	Amortized cost
Due to related party	Amortized cost

The Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired and held and the characteristics of their contractual cash flows.

Financial assets

Financial assets are classified as either financial assets at FVTPL or amortized cost. The Company determines the classification of its financial assets at initial recognition.

i) Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost. Gains or losses on these items are recognized in profit or loss. The Company's cash is classified as financial assets measured at FVTPL.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued...)

Financial instruments (Continued...)

Financial assets (Continued...)

ii) Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows, and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company does not have any financial assets that are classified and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i) Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following five exemptions: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below market interest rate, or contingent consideration recognized by an acquirer in a business combination. The Company's accounts payable and accrued liabilities and due to related parties do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii) Financial liabilities recorded as FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are initially and subsequently recognized at fair value. Unrealized gains and losses are recognized in profit or loss. Instruments classified as amortized cost are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued...)

Financial instruments (Continued...)

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all of the risk and rewards of the asset. The Company assesses on each reporting date whether there is any objective evidence that a financial asset is impaired, the impairment provision is based upon the expected loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Fair value hierarchy

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determined that cash amounting to $224,322 is the only financial asset at FVTPL, which is classified as Level 1.

Cash

Cash consists of cash deposits at banks.

Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological, geophysical studies, exploratory drilling and claim staking.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

2. **MATERIAL ACCOUNTING POLICY INFORMATION** (Continued...)

Provisions

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

Asset retirement obligation

The operations of the Company are subject to regulations governing the environment, including future site restoration costs for mineral properties. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made.

The Company has determined that there are no asset retirement obligations or any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these financial statements.

Administrative expenses

Administrative expenses are charged to operations in the period incurred.

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for:

• Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized.

2. **MATERIAL ACCOUNTING POLICY INFORMATION** (Continued...)

Income taxes (Continued...)

The carrying amount of deferred income tax assets is reviewed at each reporting date of the Statement of Financial Position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares. Share capital issued for non-monetary consideration is recorded at fair value, being the quoted share price at the time of issuance.

Flow-through shares

The Company financed some exploration expenses through the issuance of flow-through shares. The resource expenses deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference between the quoted price of the common shares or the amount recognized in common shares and the amount the investors pay for the shares is recognized as other liability which is reversed as a deferred tax recovery when eligible expenditures have been made. The Company recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenditures are incurred and capitalized as an asset.

2. **MATERIAL ACCOUNTING POLICY INFORMATION** (Continued...)

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

Foreign currency translation

Monetary assets and liabilities of the Company denominated in foreign currencies are translated into Canadian dollar using the rate of exchange at the date of statement of financial position. All other assets and liabilities are translated at historical rates. Transaction amounts denominated in foreign currencies are translated into Canadian dollar at exchange rates prevailing at the transaction dates. Gains and losses on translation or settlement are included in the determination of comprehensive loss for the current period.

Related party disclosures

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are in the normal course of business and have commercial substance and are measured at the fair value.

Segment reporting

The Company operates in the mineral exploration and development sector and has only one reportable segment. In 2024, the Company operated in one geographic location: Canada. The head office, which provides corporate administration, treasury, finance and regulatory, technical support and project management, is also located in Canada.

Accounting standards issued but not yet effective

Amendments to IAS 1, Presentation of Financial Statements - Classification of liabilities as current or non-current and non-current liabilities with covenants

Narrow-scope amendments to IAS 1 were issued to provide clarification over the classification of debt and other liabilities as current or non-current. The amendments aim to promote consistency in the application of the classification requirements of the standard by entities. IASB issued a further amendment regarding non-current liabilities with covenants to clarify only covenants that an entity is required to comply with on or before the reporting date affect classification as current or non-current. It also requires an entity to disclose information in the notes that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months. These amendments apply to annual reporting periods beginning on or after January 1, 2024.

2. **MATERIAL ACCOUNTING POLICY INFORMATION** (Continued...)

Accounting standards issued but not yet effective (Continued...)

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information includes the core framework for the disclosure of material information about sustainability-related risks and opportunities and is effective on period beginning on or after January 1, 2024.

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Critical accounting estimates, assumptions and judgments

The preparation of financial statements in conformity with the disclosed basis of accounting requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These financial statements include assumptions and estimates which, by their nature, are uncertain and actual results may differ from those estimates. The impact of such estimates may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period which the estimate is revised and the revision affects both current and future periods. Management determines that the following are the significant estimates made on these financial statements as at January 31, 2024:

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities.

Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The Company has not recognized deferred tax assets as it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

3. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

As of January 31, 2024, the active licenses for mineral properties located in the Province of Newfoundland and Labrador are:

- Gander North Property - 641 claims
- Sop's Arm Property - 276 claims
- Southwest Pond Property - 318 claims
- Grub Line South Property - 243 claims
- Great Bend Property - 22 claims
- Newton Lake Property - Nil

Subsequent to period-end, all claims for Gander North Property were abandoned.

During the period, the Company incurred exploration expenditures which were included in the statement of comprehensive loss for the following properties:

	Exploration expenditure	Claim staking and acquisition costs	Total
Gander North Property	$ 95,293	$ 166,667	$ 261,960
Sop's Arm Property	51,196	188,052	239,248
Southwest Pond Property	44,950	177,456	222,406
Grub Line South Property	21,805	-	21,805
Great Bend Property	13,705	-	13,705
Newton Lake Property	-	12,090	12,090
	$ 226,949	$ 544,265	$ 771,214

On September 22, 2023, the Company acquired ownership of the mineral properties noted above from Ken Lapierre and Kevin Ralph by issuing 5,000,000 common shares at the price of $0.10 per share, for a total consideration of $500,000 (notes 5 and 6).

Gander North Property

An amount of $166,667 out of $500,000 mentioned above was attributed to staking and acquisition costs of this property.

During the period, the Company incurred additional exploration expenditures of $95,293 for this property.

Subsequent to period-end, all claims for this property were expensed and abandoned, resulting in all costs incurred for this property being non-recoverable.

3. **MINERAL PROPERTIES AND EXPLORATION EXPENDITURES** (Continued...)

Sop's Arm Property

An amount of $166,667 out of $500,000 mentioned above was attributed to staking and acquisition costs of this property.

During the period, the Company incurred additional staking and acquisition costs of $21,385 and other exploration expenditures of $51,196 for this property.

Southwest Pond Property

An amount of $166,666 out of $500,000 mentioned above was attributed to staking and acquisition costs of this property.

During the period, the Company incurred additional staking and acquisition costs of $10,790 and other exploration expenditures of $44,950 for this property.

Grub Line South Property

This property was acquired through the issuance of the common shares mentioned above. Management determined that the staking and acquisition costs attributed to this property were minimal.

During the period, the Company incurred exploration expenditures of $21,805 for this property.

Great Bend Property

This property was acquired through the issuance of the common shares mentioned above. Management determined the staking and acquisition costs attributed to this property were minimal. During the period, the Company incurred exploration expenditures of $13,705 for this property.

Newton Lake Property

During the period, the Company incurred staking and acquisition costs of $12,090 for this property.

4. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable	$ 6,819
Accrued liabilities	28,000
	$ 34,819

5. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions

During the period, 5,000,000 common shares valued at $0.10 per share for total consideration of $500,000 were issued to acquire the ownership of several mineral properties. At the time of this transaction, 3,500,000 of these common shares were issued to a major shareholder, who is also the President, Director and Chief Executive Officer ("CEO") of the Company (notes 3 and 6).

During the period, $85,000 was paid to a consulting firm owned by the President, Director and CEO of the Company for consulting geological services rendered and an additional $10,000 was paid for vehicle rentals. These amounts were included in exploration expenditures.

During the period, $22,419 was paid to a legal firm of which a director of the Company is a partner. This amount was included in professional fees. An additional disbursement of $451 was paid to the legal firm and included in office and general. As of January 31, 2024, unpaid fees of $1,077 are included in accounts payable and accrued liabilities.

During the period, $1,500 was paid to a bookkeeping firm owned by the Chief Financial Officer. This amount was included in professional fees. As of January 31, 2024, unpaid fees of $339 are included in accounts payable and accrued liabilities.

Total compensation, including benefits to the officers and directors with responsibilities for strategic planning, oversight and control of the Company's operations amounted to $Nil.

Due to related party

As of January 31, 2024, $50,896 was due to a major shareholder, who is also the President, Director and CEO of the Company. The loan is unsecured, interest-free and due on demand, and it was repaid subsequent to year end.

6. SHARE CAPITAL

On August 29, 2023 (Date of Incorporation) 1 common share was issued for $1 to the President of the Company for his services in incorporating the Company. During the year, the share was redeemed at $1.

On September 22, 2023 5,000,000 common shares valued at $0.10 per share for $500,000 were issued in consideration of exploration and evaluation assets.

During the period, 5,100,000 common shares were issued at a price of $0.10 for $510,000. The Company incurred $10,500 in finders' fees.

Authorized		
Unlimited	Common shares	
Issued		
10,100,000	Common shares	$ 999,500

7. LOSS PER SHARE

Loss attributable to common shareholders	$ (826,229)
Weighted-average common shares outstanding - basic and diluted	6,215,385
Basic and diluted loss per common share	$ (0.13)

Basic and diluted loss per share are the same as there are no outstanding options and warrants as at January 31, 2024.

8. CAPITAL MANAGEMENT

The Company's capital is substantially represented by its share capital. Capital is impacted by operating expenses (fixed and variable) and the ability of the Company to raise funds through equity markets and other means.

The Company's principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to meet operational cash flow needs and to develop new business opportunities for the benefit of its shareholders. To meet the objectives, management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities.

The Company has working capital of $173,271 as at January 31, 2024. As at January 31, 2024, the Company also has an accumulated deficit of $826,229. Management estimates that additional equity funding will be required to allow the Company to complete anticipated exploration programs and for new business opportunities (See Note 1 - Going Concern).

The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related party. The Company is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Credit risk on cash is minimized as the majority of cash are maintained with financial institutions of reputable credit and may be redeemed upon demand.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued...)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short-term obligations.

As at January 31, 2024, the Company had cash of $224,322 to settle current liabilities of $85,715. All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. As at January 31, 2024, there were no accounts payable and accrued liabilities past due. The Company is currently endeavouring to raise equity capital in amounts sufficient to fund both its current exploration and operating expenses commitments in addition to its working capital requirements.

The following is a summary of the Company's material contractual obligations as at January 31, 2024 (representing undiscounted contractual cash flows):

	Due within		
	0 - 12 months	1 - 3 years	Total
Financial assets			
Cash	$ 224,322	$ -	$ 224,322
Financial liabilities			
Accounts payable and accrued liabilities	$ 34,819	$ -	$ 34,819
Due to related party	50,896	-	50,896
	$ 85,715	$ -	$ 85,715

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: interest rate risk, foreign currency risk, and commodity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Management has determined that the Company is not subject to interest rate risk as at January 31, 2024 as there are no interest-bearing financial instruments.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company's functional currency is Canadian dollars. As such, the Company is not exposed to currency risk as all transactions of the Company during the period were denominated in Canadian dollars.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued...)

Market risk (Continued...)

Commodity price risk

The Company's ability to raise capital to fund exploration or evaluation activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

10. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

Net loss before income tax recovery	$ (826,229)
Statutory income tax rate	26.5%
Expected income tax recovery	(218,951)
Canadian exploration expenditures capitalized for income tax purposes	204,372
Share issuance costs deductible for tax purposes	(557)
Income tax benefits not recognized	15,136
Income tax recovery	$ -

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amount of assets and liabilities. The components of deferred income taxes have been determined at the combined federal and provincial statutory rate of 26.5% and are as follows:

Exploration expenditures carryforwards	$ 204,372
Share issue costs	2,226
Non-capital loss carryforwards	15,136
	221,734
Valuation allowance	(221,734)
Deferred tax asset	$ -

10. **INCOME TAXES** (Continued...)

The Company has $57,115 of non-capital loss carry forwards which may be applied to reduce taxable income of future years. This loss expires in 2044.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

11. **SUBSEQUENT EVENTS**

The following common shares were issued subsequent to the date of these financial statements:

1. 4,300,000 common shares at a price of $0.10 per share for $430,000 cash.
2. 2,950,000 common shares at a price of $0.15 per share for $442,500 less $1,350 in commissions for $441,150 cash.
3. 305,263 flow-through shares at a price of $0.19 per share for $58,000 cash.

On August 6, 2024, each of the shareholders of the Company entered into binding share purchase agreements with Hemlo Explorers Inc. ("Hemlo"), a public company listed on the Canadian Securities Exchange. Hemlo has agreed to purchase all issued and outstanding shares of the Company in exchange for 2.832 shares of Hemlo Explorers Inc. for each common share of the Company.

Rocky Shore Metals Ltd.

Condensed Interim Financial statements
For the six months ended July 31, 2024
(expressed in Canadian dollars)
Unaudited – Prepared by management

NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with national Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company for the six months ended July 31, 2024 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

ROCKY SHORE METALS LTD.
(Incorporated under the laws of Canada)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Unaudited, without review by auditors)

	July 31, 2024	January 31, 2024
Assets		
Current:		
Cash	$ 354,246	$ 224,322
Harmonized sales taxes recoverable	94,970	34,664
Marketable securities, at market value (note 3)	102,563	-
Prepaid expenses	50,000	-
	$ 601,779	$ 258,986
Liabilities		
Current:		
Accounts payable and accrued liabilities (note 4)	$ 148,096	$ 34,819
Due to related parties (note 6)	21,470	50,896
Deferred income taxes payable (note 7)	15,370	-
	184,936	85,715
Shareholders' Equity		
Capital Stock (note 8)		
Authorized:		
Unlimited common shares		
Issued:		
17,655,263 common shares (January 31, 2024-10,100,000)	1,928,650	999,500
Deficit	(1,511,807)	(826,229)
	416,843	173,271
	$ 601,779	$ 258,986

See accompanying notes to the financial statements

ROCKY SHORE METALS LTD.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTH PERIOD ENDED JULY 31, 2024
(Unaudited, without review by auditors)

	Common Shares	Share Capital	Accumulated Deficit	Total
Balance, January 31, 2024	10,100,000	$999,500	$(826,229)	$173,271
Issue of common shares (note 8)	7,555,263	930,500	-	930,500
Share issue costs (note 8)	-	(1,350)	-	(1,350)
Comprehensive loss for the period	-	-	(685,578)	(685,578)
Balance, July 31,2024	17,655,263	$1,928,650	$(1,511,807)	$416,843

ROCKY SHORE METALS LTD.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE LOSS
FOR THE SIX MONTH PERIOD ENDED JULY 31, 2024
(Unaudited, without review by auditors)

Revenue:	$ -
Expenses:	
Exploration expenses (notes 5 and 6)	436,393
Claim staking and acquisition costs (note 5)	171,490
Legal and audit (note 6)	39,517
Loss on sale of marketable securities	8,878
Unrealized loss on marketable securities	7,177
Office and general (note 6)	6,971
	670,426
Less: interest earned	218
Comprehensive loss before income taxes	670,208
Income tax provision (Note 7)	15,370
Comprehensive loss for the period	$ 685,578
Basic and diluted loss per common share	$ 0.48
Weighted average common shares outstanding	14,384,80

ROCKY SHORE METALS LTD.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JULY 31, 2024
(Unaudited, without review by auditors)

CASH PROVIDED BY (USED IN):	
Operating Activities:	
Comprehensive loss for the period	$ (685,578)
Changes in non-cash working capital balances:	
Increase in harmonized sales taxes receivable	(60,306)
Increase in marketable securities	(102,563)
Increase in prepaid expenses	(50,000)
Increase in accounts payable and accrued liabilities	113,277
Decrease in amount due to related parties	(29,426)
Increase in deferred income taxes payable	15,370
	(799,226)
Financing Activities:	
Issue of common shares	930,500
Share issue costs	(1,350)
	929,150
Net increase in cash	129,924
Cash, beginning of period	224,322
Cash, end of period	$ 354,246

1. NATURE OF BUSINESS, GOING CONCERN AND STATEMENT OF COMPLIANCE

Nature of business

Rocky Shore Metals Ltd. ("the Company") was incorporated under the laws of Canada. The Company is a private junior natural resource company in the business of exploring and evaluating resource properties. The head office of the Company is located at 22 Adelaide Street West Suite 3600, Toronto, Ontario, M5H 4E3.

The Company is engaged in the acquisition and exploration of mining properties. The exploration of mineral deposits involves significant financial risks. The success of the Company will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory requirements.

Going concern

For the six month period ended July 31, 2024, the Company recorded a comprehensive loss of $685,578 and had an accumulated deficit of $1,511,807. As at July 31, 2024, the Company has yet to generate revenues from operations. Management periodically seeks additional forms of financing through the issuance of shares to continue its operations. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in the financial statements. It is not possible at this time to predict with assurance the outcome of these investments.

Given that the Company has yet to achieve sales levels adequate to support the Company's cost structure, and has not generated any income nor cash flows from operations, there is significant doubt regarding the Company's ability to continue as a going concern.

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, they do not include all of the information required for full annual financial statements as required by IFRS. These condensed interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended January 31, 2024.

These financial statements have been prepared on the basis of being a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business, and on a historical cost basis except for the revaluation of certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements were authorized for issue by the Board of Directors on October 15, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been applied in the preparation of these financial statements are summarized as follows:

Basis of measurement

The financial statements are presented in Canadian dollars which is the functional currency of the Company.

The financial information furnished herein reflects all adjustments, which, in the opinion of management, are considered necessary for a fair statement of results in accordance with IFRS. All adjustments have been included and properly prepared within reasonable limits of materiality and within the framework of the material accounting policies summarized below:

Financial instruments

Financial assets and liabilities are recognized on the trade date at which the Company becomes a party to the contractual arrangement of the instrument.

The Company's financial instruments consist of the following:

Financial Assets	**IFRS 9 Classification**
Cash	FVTPL (Fair value through profit or loss)
Marketable securities	FVTPL

Financial Liabilities	**IFRS 9 Classification**
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

The Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired and held and the characteristics of their contractual cash flows.

Financial assets

Financial assets are classified as either financial assets at FVTPL or amortized cost. The Company determines the classification of its financial assets at initial recognition.

i) Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost. Gains or losses on these items are recognized in profit or loss. The Company's cash and marketable securities are classified as financial assets measured at FVTPL.

ii) Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows, and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company does not have any financial assets that are classified and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i) Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at below market interest rate, or contingent consideration recognized by an acquirer in a business combination. The Company's accounts payable and accrued liabilities and due to related parties do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii) Financial liabilities recorded as FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are initially and subsequently recognized at fair value. Unrealized gains and losses are recognized in profit or loss. Instruments classified as amortized cost are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all of the risk and rewards of the asset. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Fair value hierarchy

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determined that cash amounting to $354,246 (January 31, 2024 - $224,322) and marketable securities amounting to $102,503 (January 31, 2024 - $Nil) are the only financial asset at FVTPL, which are classified as Level 1.

Cash

Cash consists of cash deposits at banks.

Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological, geophysical studies, exploratory drilling and claim staking.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Provisions

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

Asset retirement obligation

The operations of the Company are subject to regulations governing the environment, including future site restoration costs for mineral properties. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made. The Company has determined that there are no asset retirement obligations or any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these financial statements.

Administrative expenses

Administrative expenses are charged to operations in the period incurred.

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for:

- Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax loss losses, to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the Statement of Financial Position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares. Share capital issued for non-monetary consideration is recorded at fair value, being the quoted share price at the time of issuance.

Flow-through shares

The Company financed some exploration expenses through the issuance of flow-through shares. The resource expenses deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference between the quoted price of the common shares or the amount recognized in common shares and the amount the investors pay for the shares is recognized as other liability which is reversed as a deferred tax recovery when eligible expenditures have been made. The Company recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenses are incurred.

Earning (loss) per share

Basic earning (loss) per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

Foreign currency translation

Monetary assets and liabilities of the Company denominated in foreign currencies are translated into Canadian dollar using the rate of exchange at the date of statement of financial position. All other assets and liabilities are translated at historical rates. Transaction amounts denominated in foreign currencies are translated into Canadian dollar at exchange rates prevailing at the transaction dates. Gains and losses on translation or settlement are included in the determination of net loss for the current period.

Related party disclosures

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Segment reporting

The Company operates in the mineral exploration and development sector and has only one reportable segment. In 2024, the Company operated in one geographic location: Canada. The head office, which provides corporate administration, treasury, finance and regulatory, technical support and project management, is also located in Canada.

Accounting standards issued but not yet effective

Amendments to IAS 1, Presentation of Financial Statements - Classification of liabilities as current or non-current and non-current liabilities with covenants.

Narrow-scope amendments to IAS 1 were issued to provide clarification over the classification of debt and other liabilities as current or non-current. The amendments aim to promote consistency in the application of the classification requirements of the standard by entities. IASB issued a further amendment regarding non-current liabilities with covenants to clarify only covenants that an entity is required to comply with on or before the reporting date affect classification as current or non-current. It also requires an entity to disclose information in the notes that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months. These amendments apply to annual reporting periods beginning on or after January 1, 2024.

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information includes the core framework for the disclosure of material information about sustainability-related risks and opportunities and is effective on period beginning on or after January 1, 2024.

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

Critical accounting estimates, assumptions and judgments

The preparation of financial statements in conformity with the disclosed basis of accounting requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These financial statements include assumptions and estimates which, by their nature, are uncertain and actual results may differ from those estimates. The impact of such estimates may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period which the estimate is revised and the revision affects both current and future periods. Management determines that the following are the significant estimates made on these financial statements as at January 31, 2024:

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities.

Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The Company has not recognized a deferred tax asset as it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

3. MARKETABLE SECURITIES

The Company holds 89,185 common shares (a nominal interest) of STLLR Gold Inc., a public company listed on the Toronto Stock Exchange with a market value of $1.15 per share, on July 31, 2024 for a total value of $102,563.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31	January 31
Accounts payable	$ 120,096	$ 6,819
Accrued liabilities	28,000	28,000
	$ 148,096	$ 34,819

5. MINERAL PROPERTIES AND EXPLORATION EXPENSES

As of July 31, 2024, the active licenses for mineral properties located in the Province of Newfoundland and Labrador are:

Gold Anchor Property-2,403 claims
Gander North Property - 641 claims
Sop's Arm Property - 605 claims
Southwest Pond Property - 318 claims
Grub Line South Property - 357 claims
Great Bend Property - 22 claims
Newton Lake Property – 186 claims

During the period, all claims for Gander North Property were dropped.

During the period, the Company incurred exploration expenses which were included in the statement of comprehensive loss for the following properties:

	Exploration expenses	Claim staking and acquisition costs	Total
Gold Anchor Property	$245,855	$164,080	$409,935
Southwest Pond Property	71,069	-	71,069
Sop's Arm Property	65,669	-	65,669
Grub Line South Property	20,000	7,410	27,410
Newton Lake Property	25,000	-	25,000
Gander North Property	8,800	-	8,800
	$436,393	$171,490	$607,883

Gold Anchor Property

During the period, the Company incurred staking and acquisition costs of $164,080 and other exploration expenses of $245,855 for this property.

Southwest Pond Property

During the period, the Company incurred exploration expenses of $71,069 for this property.

Sop's Arm Property

During the period, the Company incurred exploration expenses of $65,669 for this property.

Grub Line South Property

During the period, the Company incurred staking and acquisition costs of $7,410 for this property and other exploration expenses of $20,000 for this property.

Newton Lake Property

During the period, the Company incurred exploration expenses of $25,000 for this property.

Gander North Property

During the period, the Company incurred exploration expenses of $8,800 for this property. During the period, all claims for this property were dropped, resulting in all costs incurred for this property being non-recoverable.

6. RELATED PARTY TRANSACTIONS AND BALANCE

Transactions

During the period, $102,000 was paid to a consulting firm owned by the President, Director and CEO of the Company for consulting geological services rendered and an additional $12,000 was paid for vehicle rentals. These amounts were included in exploration expenses. The firm was also paid $11,747 for vehicle milage. Of this amount, $6,216 was included in exploration expenses and $5,531 was included in office and general.

During the period, $37,718 was paid to a legal firm of which a director of the Company is a partner. This amount was included in legal and audit. An additional disbursement of $385 was paid to the legal firm and included in office and general. As of July 31, 2024, unpaid fees of $12,879 are included in accounts payable and accrued liabilities.

During the period, $1,800 was paid to a bookkeeping firm owned by the Chief Financial Officer. This amount was included in legal and audit. As of July 31, 2024, unpaid fees of $339 are included in accounts payable and accrued liabilities.

Due to related parties

As of July 31, 2024, $21,470 was due to a major shareholder, who is also the President, Director and CEO of the Company. The loan is unsecured, interest-free and due on demand, and it was subsequently paid.

7. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

Net loss January 31, 2024 before income tax recovery	$ (826,229)
Expected income tax recovery	$ (218,951)
Canadian exploration expenditures capitalized for income tax purposes	204,372
Share issuance costs deductible for tax purposes	(557)
Income tax benefits not recognized	15,156
Income tax recovery	$ -

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amount of assets and liabilities. The components of deferred income taxes as of January 31, 2024 have been determined at the combined federal and provincial statutory rate of 26.5% and are as follows:

Exploration expenditures	$ 204,372
Share issue costs	2,226
Non-capital loss carryforwards	15,136
	221,734
Valuation allowance	(221,734)
Deferred tax asset	$ -

The Company has $57,116 of non-capital loss carry forwards which may be applied to reduce taxable income of future years. This loss expires in 2044.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

Deferred income tax liability

During the period, the Company issued 305,263 flow-through shares at a price of $0.19 per share for $58,000 cash (Note 8) As of the date of these financial statements, no exploration expenses have been renounced. A deferred income tax liability of $15,370 has been recorded at the Company's income tax rate of 26.5%.

8. CAPITAL STOCK

During the period, following common shares were issued:

1. 4,300,000 common shares at a price of $0.10 per share for $430,000 cash
2. 2,950,000 common shares at a price of $0.15 per share for $442,500 less $1,350 in commissions for $441,150 cash
3. 305,263 flow-through shares at a price of $0.19 per share for $58,000 cash (Note 7)

9. CAPITAL MANAGEMENT

The Company's capital is substantially represented by its capital stock. Capital is impacted by operating expenses (fixed and variable) and the ability of the Company to raise funds through equity markets and other means.

The Company's principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to meet operational cash flow needs and to develop new business opportunities for the benefit of its shareholders. To meet the objectives, management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities.

The Company has working capital of $416,843 as at July 31, 2024 (January 31, 2024 - $173,271). As at July 31, 2024, the Company also has an accumulated deficit of $1,511,807 (January 31, 2024 - $826,229). Management estimates that additional equity funding will be required to allow the Company to complete anticipated exploration programs and for new business opportunities.

The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities, due to related parties and deferred income taxes payable. The Company is exposed through its operations to the following financial risks:

Credit risk
Liquidity risk
Market risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Credit risk on cash is minimized as the majority of cash are maintained with financial institutions of reputable credit and may be redeemed upon demand.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short-term obligations.

As at July 31, 2024, the Company had cash of $354,246 (January 31, 2024 - $224,322) to settle current liabilities of $184,936 (January 31, 2024 - $83,713). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. As at July 31, 2024, there were no accounts payable and accrued liabilities past due. The Company is currently endeavouring to raise equity capital in amounts sufficient to fund both its current exploration and operating expenses commitments in addition to its working capital requirements.

The following is a summary of the Company's material contractual obligations as at July 31, 2024 (representing undiscounted contractual cash flows):

	Due within			
	0 - 12 months	1 - 3 Years	Indefinite maturity	Total
Financial assets				
Cash	$ 354,246	$ -	$ -	$ 354,246
Marketable securities	-	-	102,563	102,563
	$354,246	$ -	$ 102,563	$ 456,809
Financial liabilities				
Accounts payable and accrued liabilities	$148,096	$ -	$ -	$148,096
Due to related parties	21,470	-	-	21,470
	$169,566	$ -	$ -	$169,566

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: interest rate risk, foreign currency risk, and commodity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company manages the interest rate risk exposure by monitoring changes in interest rates and assessing alternative financing arrangements. The Company is not exposed to significant interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company’s functional currency is Canadian dollars. As such the Company is not exposed to currency risk.

Commodity price risk

The Company’s ability to raise capital to fund exploration or evaluation activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

11. SUBSEQUENT EVENTS

On August 6, 2024, each of the shareholders of the Company entered into a binding share purchase agreement with Hemlo Explorers Inc. ("Hemlo"), a public company listed on the Canadian Securities Exchange. Hemlo has agreed to purchase all issued and outstanding shares of the Company in exchange for 2.832 shares of Hemlo Explorers Inc. for each common share of the Company. The transaction has been completed on September 4, 2024.

Subsequent to the date of these financial statements, 1579 additional claims were acquired in the Gold Anchor Property for $107,425 cash.

Since the Gold Anchor claims acquired joined up against the Grub Line South Property, the Newton Lake Property and Hemlo Explorers Inc.’s properties, the Company incorporated those claims into the Gold Anchor Property. Therefore, subsequent to the date of these financial statements, the Company has three properties.