AJN RESOURCES INC.

Consolidated Financial Statements

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of AJN Resources Inc.

Opinion

We have audited the consolidated financial statements of AJN Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate 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.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

DMCL.

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

November 30, 2023

AJN RESOURCES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**July 31, 2023**	July 31, 2022
		$	$
ASSETS			
Current			
Cash		**1,171,941**	1,241,905
Restricted cash	3(b)	**131,770**	128,240
Receivable		**15,140**	7,614
Prepaid expenses and deposits	5	**39,121**	86,893
		1,357,972	1,464,652
Reclamation bond	6(a)	**19,142**	19,142
Exploration and evaluation assets	6(a)	**173,962**	162,994
Deferred acquisition cost	6(b)	**263,540**	-
Equipment	7	**14,495**	21,801
Total assets		**1,829,111**	1,668,589
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**483,810**	138,015
Accrued interest payable	8	**71,839**	40,437
Convertible debenture	8	**1,256,115**	1,175,027
Total liabilities		**1,811,764**	1,353,479
SHAREHOLDERS' EQUITY			
Share capital	9(b)	**4,777,780**	4,780,310
Shares to be issued	9(b)	**1,109,985**	-
Reserves		**1,265,596**	1,265,596
Accumulated other comprehensive loss		**(22,019)**	(27,888)
Deficit		**(7,113,995)**	(5,702,908)
Total shareholders' equity		**17,347**	315,110
Total liabilities and shareholders' equity		**1,829,111**	1,668,589

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Klaus Eckhof"	*/s/ "Mark Gasson"*
Director	Director

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

AJN RESOURCES INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	Years ended July 31, **2023**	2022
		$	$
Operating expenses			
Depreciation	7	**8,034**	7,720
Directors' fees (recovery)	10	**(34,000)**	42,000
Exploration expenses	6(b) and (c)	**268,077**	148,856
Filing fees		**23,147**	21,142
Management fees	10	**480,000**	397,990
Marketing		**181,213**	31,073
Office and miscellaneous		**130,403**	134,162
Professional fees		**182,811**	451,533
Travel		**57,661**	112,484
		1,297,346	1,346,960
Other income (expenses)			
Accretion on convertible debenture	8	**(81,088)**	(105,069)
Interest expense on convertible debenture	8	**(31,402)**	(31,404)
Interest income		**-**	2,206
Foreign exchange loss		**(1,251)**	(13)
Net loss for the year		**(1,411,087)**	(1,481,240)
Other comprehensive income			
Currency translation differences		**5,869**	12,132
Comprehensive loss for the year		**(1,405,218)**	(1,469,108)
Net loss per share			
Basic and diluted		**(0.05)**	(0.06)
Weighted average number of common shares			
Basic and diluted		**28,795,500**	26,219,952

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

AJN RESOURCES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended July 31,	
	2023	2022
	$	$
Operating activities		
Net loss for the year	**(1,411,087)**	(1,481,240)
Items not affecting cash:		
Depreciation	**8,034**	7,720
Accretion on convertible debenture	**81,088**	105,069
Interest expense on convertible debenture	**31,402**	31,404
Unrealized gain on foreign exchange	**(7,509)**	-
Changes in non-cash working capital:		
Receivable	**(7,526)**	671
Prepaid expenses and deposits	**47,764**	(206,103)
Accounts payable and accrued liabilities	**148,562**	73,409
Cash used in operating activities	**(1,109,272)**	(1,469,070)
Investing activities		
Investment in exploration and evaluation assets	**(10,968)**	(11,106)
Deferred acquisition cost	**(65,885)**	-
Cash used in investing activities	**(76,853)**	(11,106)
Financing activities		
Proceeds from issuance of common shares	**-**	1,081,500
Proceeds from exercise of options	**-**	60,000
Proceeds from private placement	**1,109,985**	-
Cash provided by financing activities	**1,109,985**	1,141,500
Effect of exchange rate on changes in cash	**6,176**	11,274
Net change in cash	**(69,964)**	(327,402)
Cash, beginning of year	**1,241,905**	1,569,307
Cash, end of year	**1,171,941**	1,241,905
Supplemental cash flow information:		
Cash income taxes paid	**-**	-
Cash interest paid	**-**	-
Deferred acquisition cost included in accounts payable	**197,655**	-
Reclassification of reserves upon exercise of options	**-**	45,016

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

AJN RESOURCES INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Shares to be issued	Reserves	Accumulated other comprehensive loss	Deficit	Total shareholders' equity
	#	$	$	$	$	$	$
Balance, July 31, 2021	25,483,000	3,895,831	-	1,008,575	(40,020)	(4,221,668)	642,718
Shares issued	2,712,500	779,463	-	302,037	-	-	1,081,500
Exercise of stock options	600,000	105,016	-	(45,016)	-	-	60,000
Currency translation differences	-	-	-	-	12,132	-	12,132
Net loss for the year	-	-	-	-	-	(1,481,240)	(1,481,240)
Balance, July 31, 2022	28,795,500	4,780,310	-	1,265,596	(27,888)	(5,702,908)	315,110
Shares to be issued	-	-	1,109,985	-	-	-	1,109,985
Share issuance costs	-	(2,530)	-	-	-	-	(2,530)
Currency translation differences	-	-	-	-	5,869	-	5,869
Net loss for the year	-	-	-	-	-	(1,411,087)	(1,411,087)
Balance, July 31, 2023	**28,795,500**	**4,777,780**	**1,109,985**	**1,265,596**	**(22,019)**	**(7,113,995)**	**17,347**

See Note 9

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

1. NATURE OF OPERATIONS AND GOING CONCERN

AJN Resources Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on September 1, 2016. On June 12, 2018, the Company listed its shares on the Canadian Securities Exchange ("CSE") under the symbol "AJN", and on the Frankfurt Stock Exchange ("FTE") under the symbol "5AT". The address of the Company's registered office and principal place of business is Suite 1400 - 1199 West Hastings St., Vancouver, British Columbia, V6E 3T5, Canada.

The Company's primary business is the acquisition and exploration of mineral properties. The Company's mineral properties comprise the Salt Wells Lithium Property (the "Salt Wells Property") located in Nevada, USA, and potential exploration permits (the "Kabunda South Project") located in the Manono Territory, Tanganyika Province of the Democratic Republic of the Congo ("DRC"). The Company's exploration and evaluation assets (Note 6) do not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in mineral deposits being located or, ultimately, a profitable mining operation in the future.

On February 8, 2022, the Company, through its wholly owned subsidiary AJN Resources Congo SASU ("AJN Congo"), entered into a memorandum of understanding (the "MoU") with the DRC to acquire a number of exploration permits in the Kilo Moto Gold Belt in North-East DRC. In connection with the MoU, the DRC has established a wholly owned subsidiary Congo Ressources SAU ("Congo Ressources") to acquire a 100% interest in certain claims in the area. AJN Congo will have the option to acquire Congo Ressources in exchange for common shares of the Company representing 60% of the fully diluted issued and outstanding common shares of the Company. As at July 31, 2023, the Company awaits the transfer of permits to Congo Ressources as per the MoU.

On December 30, 2022, the Company entered into a binding term sheet (the "Binding Term Sheet") with Mining Entreprise Katanga S.A.R.L.U. ("MEK") in which it can acquire a 75% interest in exploration permit PR 15383, located in the Manono Territory, Tanganyika Province of the DRC ("MEK PR 15383") in exchange for a total cash payment of US$130,000 and an issuance of 6,000,000 common shares to MEK upon satisfaction of certain conditions.

On June 2, 2023, the Company entered into a binding term sheet (the "Binding Term Sheet 2") with Palm Constellation S.A.R.L. in the DRC ("Palm"), to acquire a 70% indirect interest in an exploration permit PR 15282, located in the Manono Territory, Tanganyika Province of the DRC ("Palm PR 15282") in exchange for a total cash payment of US$5,650,000 and the issuance of 10.5% of the Company's issued and outstanding common shares as well as an additional issuance of 4,000,000 common shares to Palm upon satisfaction of certain conditions.

These consolidated financial statements for the years ended July 31, 2023 and 2022 (the "financial statements") have been prepared on a going concern basis, which assumes the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the year ended July 31, 2023, the Company incurred a net loss of $1,411,087 (2022 - $1,481,240). As at July 31, 2023, the Company had a working capital deficiency of $453,792 (July 31, 2022 - working capital of $111,173), and accumulated deficit of $7,113,995 (July 31, 2022 - $5,702,908). The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Company's Board of Directors and authorized for issuance on November 30, 2023.

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

2. BASIS OF PREPARATION (continued)

b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of AJN Congo is the United States dollar. References to "USD" or "US$" are to United States dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiary, AJN Congo, which is located in Kinshasa, DRC. Inter-company transactions and balances are eliminated upon consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

e) Reclassification of prior year amount

The Company has reclassified certain operating expenses on the consolidated statement of loss and comprehensive loss to conform with the current year presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently.

a) Cash

Cash is comprised of cash on hand.

b) Restricted cash

Restricted cash is comprised of cash held in trust with legal counsel in the DRC. The restricted cash will be used towards the acquisition of Congo Ressources pursuant to the MoU in the future.

c) Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. Management determines the classification of its financial assets at initial recognition.

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

Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Financial liabilities	
Accounts payable	Amortized cost
Convertible debenture	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at FVTPL

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

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as held at amortized cost. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred.

Financial liabilities at amortized cost

Financial liabilities are recognized initially at fair value and subsequently measured at amortized cost.

d) Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the consolidated statement of loss and comprehensive loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is classified as ‘mines under construction’. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

e) Deferred acquisition cost

Deferred acquisition cost pertains to payments made by the Company to acquire an interest in mining claims but where it has not yet obtained legal rights to explore the properties. Once the Company fulfills the payments obligations to acquire the legal rights, the deferred acquisition cost will be transferred to exploration and evaluation asset. Otherwise, the deferred acquisition cost will be written off.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Amortization is provided at rates calculated to write-off the cost of equipment, less their estimated residual value, using the declining balance method at 20% per annum. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of loss and comprehensive loss.

g) Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and value in use ("VIU"). FVLCS is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets (mineral properties) and equipment are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

h) Share capital

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.

The Company records proceeds from share issuances net of issue costs. When obligation to issue shares exists at the reporting period end but shares are issued subsequent to the reporting period end, the Company records amount received as shares to be issued within shareholders' equity.

i) Warrants

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated price for a stated number of shares of the Company. The Company allocates the proceeds from the issuance of units between common shares and share purchase warrants on a pro-rata basis based on the relative fair values at the date of issuance. The fair value of the common shares is based on the market closing price on the date the units are issued, and the fair value of the share purchase warrants is determined using the Black-Scholes Option Pricing Model as of the date of issuance. Any value attributed to the warrants is recorded to reserves. Upon exercise, the fair value is reallocated from share purchase warrants reserve to issued share capital along with the associated proceeds from exercise. Where warrants are issued as compensation, they are recorded as share-based compensation.

j) Share-based compensation

The Company has a stock option plan under which it may grant stock options to directors, employees, consultants and service providers.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company records a share-based compensation expense for all options granted to employees, or to those providing similar services, at the fair value of the equity instruments over the vesting period, with a corresponding increase in share-based payments reserve. Each transfer of an award is considered separately with its own vesting date and grant date fair value. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of each stock option at the date of grant. For awards with vesting conditions, a forfeiture rate is recognized at the grant date and is adjusted to reflect the number of awards expected to vest. As the options are exercised, the consideration paid, together with the amount previously recognized in reserves, is recorded as an increase in share capital. The initial fair value of options that expire unexercised remain in reserves.

For equity-settled share-based compensation to non-employees, the Company measures the value of the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received. If the fair value cannot be estimated reliably, then the Company would use the Black-Scholes Option Pricing Model. The Company has no cash-settled share-based compensation transactions.

k) Reserves

The Company records the fair values of stock options and warrants issued and the equity component of its convertible debenture within reserves on the consolidated statements of financial position. When stock options, warrants or convertible debenture are exercised into common shares, the applicable amount under the reserve will be transferred to share capital.

l) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, adjusted for amendments to income tax payable with regard to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

m) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

n) Restoration and environmental obligations

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

o) Foreign currency translation

Foreign currency transactions are translated into their functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to exercise significant judgments in applying the Company's accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company's financial statements. Revisions to accounting estimates are accounted for prospectively.

a) Critical accounting estimates

Significant assumptions about the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities in the next year are as follows:

<u>Estimated fair value of stock options issued</u>

The fair value of stock options issued are subject to the limitations of the Black-Scholes Option Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

<u>Recovery of deferred tax assets</u>

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

(Expressed in Canadian dollars, unless otherwise noted)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

b) Critical accounting judgements

Significant judgments exercised by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the financial statements, then adjustments to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position would be necessary (see Note 1)

Economic recoverability of future economic benefits of mineral property interests

Management has considered that exploration and evaluation of mineral properties and related costs incurred, which have been recognized on the consolidated statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

Indications of impairments of assets

Impairment testing is done at the cash generating unit level and judgment is involved in assessing whether there is any indication that an asset or a cash generating unit may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties and the results of exploration and evaluation to date.

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgements to determine the primary economic environment of an entity. The Company re-evaluates the functional currency of its entities when there is a change in events and conditions which previously determined the primary economic environment of an entity.

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposit is as follows:

	July 31, 2023	July 31, 2022
	$	$
Prepaid expenses	**30,091**	57,863
Deposits	**9,030**	29,030
	39,121	86,893

(Expressed in Canadian dollars, unless otherwise noted)

6. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Salt Wells Property
	$
Acquisition cost	
Balance, July 31, 2021	81,142
Addition	11,106
Balance, July 31, 2022	92,248
Addition	10,968
Balance, July 31, 2023	**103,216**
Exploration and evaluation expenditures	
Balance, July 31, 2021	70,746
Impairment	-
Balance, July 31, 2023 and 2022	**70,746**
Balance, July 31, 2022	162,994
Balance, July 31, 2023	**173,962**

a) Salt Wells Property

In 2017, the Company entered into an option agreement (the "Option Agreement") to acquire a 100% interest in certain claims comprising the Salt Wells Property. Pursuant to the Option Agreement, the Company was obligated to pay initial filing fees of $26,666 (US$19,125) and a further US$7,755 annually until the Company terminates the Option Agreement. The Company completed an exploration development program with a first-year work requirement of US$60,000 and a second-year work requirement of US$80,000.

The Salt Wells Property is subject to a 4.5% net smelter return, 1.5% of which the Company has the right to buy back within 90 days of the property going into production for US$500,000, and an additional 1.5% of which the Company has the right to buy back within 180 days of the property going into production for US$1,250,000. Furthermore, a cash payment of US$250,000 is payable upon the property attaining commercial production.

As at July 31, 2023, the Company has a reclamation bond of $19,142 (July 31, 2022 - $19,142) held with the Bureau of Land Management of Nevada.

b) Kabunda South Project

MEK PR 15383

On December 30, 2022, the Company entered into the Binding Term Sheet with MEK in which it can acquire a 75% interest in MEK PR 15383 in exchange for:

- A cash payment of US$30,000 by December 30, 2022 (paid on January 10, 2023);
- A cash payment of US$20,000 by April 30, 2023 (paid on July 7, 2023);
- A cash payment of US$80,000 and the issuance of 6,000,000 of the Company's issued and outstanding common shares for the 75% interest, 6 months after the issuance date of PR 15383.

During the year ended July 31, 2023, the Company recognized in profit or loss exploration expenses of $42,036 (US$31,500) (2022 - $nil) that were incurred at the property.

During the year ended July 31, 2023, the Company paid $65,885 (US$50,000) as an initial payment upon signing of the Binding Term Sheet. As a result of the cash payment made, the Binding Term Sheet is in good standing. The Company classified the payment as deferred acquisition cost since the Company has no right to explore the property.

(Expressed in Canadian dollars, unless otherwise noted)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Palm PR 15282

On June 2, 2023, the Company entered into the Binding Term Sheet 2 with Palm to acquire a 70% indirect interest in Palm PR 15282 in exchange for:

- A cash payment of US$50,000 ($65,885) by June 12, 2023 (paid on August 15, 2023, accrued at July 31, 2023). As a result of the cash payment made, the Binding Term Sheet 2 is in good standing.
- A cash payment of US$100,000 ($131,770) by July 29, 2023 (paid on August 15, 2023, accrued at July 31, 2023);
- A cash payment of US$250,000 and the issuance of the number of shares that are equal to 10.5% of the Company's issued and outstanding common shares for the first 51% indirect interest;
- A cash payment of US$250,000 and the issuance of an additional 4,000,000 of the Company's common shares for a further 9% indirect interest; and,
- A cash payment of US$5,000,000 for the remaining 10% indirect interest to increase the Company's holding to 70% indirect interest which is the maximum amount pursuant to the Binding Term Sheet 2.

c) Other DRC property exploration expenses

During the year ended July 31, 2023, the Company recognized in profit or loss exploration expenses of $226,041 (2022 - $148,856) that were incurred exploring prospective properties located in the DRC that the Company does not own or control.

7. EQUIPMENT

A summary of the Company's equipment is as follows:

	Computer equipment	Furniture and fixtures	Total
	$	$	$
Cost			
Balance, July 31, 2021	14,836	22,541	37,377
Currency translation differences	431	664	1,095
Balance, July 31, 2022	15,267	23,205	38,472
Currency translation differences	420	639	1,059
Balance, July 31, 2023	**15,687**	**23,844**	**39,531**
Accumulated depreciation			
Balance, July 31, 2021	3,459	5,255	8,714
Depreciation	3,064	4,656	7,720
Currency translation differences	93	144	237
Balance, July 31, 2022	6,616	10,055	16,671
Depreciation	3,188	4,846	8,034
Currency translation differences	132	199	331
Balance, July 31, 2023	**9,936**	**15,100**	**25,036**
Carrying amount			
Balance, July 31, 2022	8,651	13,150	21,801
Balance, July 31, 2023	**5,751**	**8,744**	**14,495**

8. CONVERTIBLE DEBENTURE

On April 17, 2020, the Company issued a convertible debenture for total proceeds of $1,256,115 maturing on April 17, 2023. The convertible debenture bears interest of 2.5% per annum, payable annually. The convertible debenture is convertible at the holder's or issuer's option into fully paid common shares of the Company at a base conversion price of $0.40 per share, being a rate of 250,000 common shares for each $100,000 principal amount of the convertible debenture.

(Expressed in Canadian dollars, unless otherwise noted)

8. CONVERTIBLE DEBENTURE (continued)

The convertible debenture can be converted into common shares at any time from April 17, 2022 to the date of maturity by either the holder or the Company if the closing price of the common shares of the Company on the CSE have been equal to or greater than $2.00 per common share for a period of 15 consecutive trading days. At the option of the Company, the convertible debenture may be converted into common shares or its term to maturity may be extended. The convertible debenture matured on April 17, 2023. As at July 31, 2023, the holder has not elected to convert or extend the term to maturity of the convertible debenture.

Upon initial recognition, the Company discounted the face value of the convertible debenture at a market rate of 12.5%, which was the estimated rate for a similar debt instrument without a conversion feature. The equity component was estimated to be $307,740 using the residual method, representing the difference between the discounted value and the proceeds of the convertible debenture. This component was recorded in reserves on April 17, 2020.

During the year ended July 31, 2023, the Company incurred interest expense of $31,402 (2022 - $31,404) and a non-cash accretion expense of $81,088 (2022 - $105,069). As at July 31, 2023, the convertible debenture balance was $1,256,115 (July 31, 2022 - $1,175,027) and accrued interest payable was $71,839 (July 31, 2022 - $40,437).

9. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Share capital transactions

During the year ended July 31, 2023, the Company collected $1,109,985 in subscription proceeds for a private placement which closed subsequent to year end (Note 15). These subscription proceeds were included as shares to be issued on the consolidated statements of financial position. Pursuant to the private placement, the Company incurred share issuance costs of $2,530.

During the year ended July 31, 2022, the Company had the following share capital transactions:

- On February 21, 2022, the Company issued 600,000 common shares pursuant to the exercise of 600,000 stock options at an exercise price of $0.10 for gross proceeds of $60,000. Accordingly, the Company reallocated $45,016 from reserves to share capital representing the fair value of the stock options. The weighted average price of the Company’s shares on date of exercise was $0.34.
- On May 25, 2022, 2,400,000 units were issued at a price of $0.40 per unit for gross proceeds of $960,000. Each unit consists of one common share of the Company and one warrant exercisable into one common share of the Company at a price of $0.50 per share for the period of one year. The Company allocated $269,622 to reserves relating to the relative fair value of the warrants.
- On June 22, 2022, 312,500 units were issued at a price of $0.40 per unit for gross proceeds of $125,000. Each unit consists of one common share of the Company and one warrant exercisable into one common share of the Company at a price of $0.50 per share for the period of one year. The Company allocated $32,415 to reserves relating to the relative fair value of the warrants. The Company incurred share issuance costs of $3,500 in connection with the financing.

c) Stock options

A summary of the Company’s stock option activity is as follows:

	Number of options outstanding	**Weighted average exercise price**
	#	$
Balance, July 31, 2021	2,025,000	0.38
Exercised	(600,000)	0.10
Balance, July 31, 2022	1,425,000	0.50
Expired	(350,000)	0.20
Balance, July 31, 2023	**1,075,000**	**0.60**

(Expressed in Canadian dollars, unless otherwise noted)

9. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding and exercisable as at July 31, 2023 is as follows:

Expiry date	Exercise price	Number of options outstanding	Number of options exercisable	Weighted average years remaining
	$	#	#	Years
February 24, 2025	0.80	675,000	675,000	1.57
August 21, 2024	0.25	400,000	400,000	1.06
	0.60	**1,075,000**	**1,075,000**	**0.88**

d) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants outstanding	Weighted average exercise price
	#	$
Balance, July 31, 2021	-	-
Issued	2,712,500	0.50
Balance, July 31, 2022	2,712,500	0.50
Expired	(2,712,500)	0.50
Balance, July 31, 2023	**-**	**-**

A summary of the Company's assumptions used in the Black-Scholes Option Pricing Model for warrants granted during the years ended July 31, 2023 and 2022 is as follows:

	2023	2022
Weighted average risk-free interest rate	**N/A**	2.85%
Weighted average expected stock price volatility	**N/A**	100%
Expected dividend yield	**N/A**	0.00%
Expected life	**N/A**	1 year

10. RELATED PARTY TRANSACTIONS

Key management personnel are those who have the authority and responsibility for planning, directing, and controlling the Company. There were no loans to key management personnel or directors, or entities over which they have control or significant influence during the years ended July 31, 2023 and 2022.

A summary of the Company's related party transactions is as follows:

	Years ended July 31,	
	2023	2022
	$	$
Directors' fees (recovery)	**(34,000)**	42,000
Management fees	**480,000**	396,462
	446,000	438,462

During the year ended July 31, 2023, the Company recognized a recovery on directors' fees due to a reversal of an over accrual in the prior year.

As at July 31, 2023, amounts due to related parties, included in accounts payable and accrued liabilities were $164,823 (July 31, 2022 - $82,243). The amounts due to related parties are unsecured, non-interest bearing, and due on demand.

(Expressed in Canadian dollars, unless otherwise noted)

11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and evaluation of exploration and evaluation assets. The Company's exploration and evaluation assets are located in the United States.

A summary of the Company's assets by geographic region as at July 31, 2023 is as follows:

	Canada	United States	DRC	Total
	$	$	$	$
Current assets	1,211,002	9,030	137,940	1,357,972
Non-current assets	-	193,104	278,035	471,139
Total assets	1,211,002	202,134	415,975	1,829,111
Total liabilities	(1,798,952)	-	(12,812)	(1,811,764)

A summary of the Company's assets by geographic region as at July 31, 2022 is as follows:

	Canada	United States	DRC	Total
	$	$	$	$
Current assets	1,188,040	9,030	267,582	1,464,652
Non-current assets	-	182,136	21,801	203,937
Total assets	1,188,040	191,166	289,383	1,668,589
Total liabilities	(1,348,601)	-	(4,878)	(1,353,479)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at July 31, 2023, the carrying values of cash, restricted cash, accounts payable, and convertible debenture approximate their respective fair values due to their short-term nature. These financial instruments are measured at amortized cost.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness within Canada and legal counsel in the DRC.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities, accrued interest payable, and convertible debenture. Management mitigates this risk by monitoring its cash position and issuing common shares or debt as required.

As at July 31, 2023, the Company's cash balance of $1,171,941 (July 31, 2022 - $1,241,905) will not be sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of $483,810 (July 31, 2022 - $138,015), accrued interest payable balance of $71,839 (July 31, 2022 - $40,437), and convertible debenture balance of $1,256,115 (July 31, 2022 - $1,175,027. Subsequent to the year ended July 31, 2023, the Company completed a non-brokered private placement of 13,415,000 units at $0.25 per unit for gross proceeds of $3,353,750 (Note 15) that allows the Company to fund its operations. Therefore, liquidity risk has been assessed as low.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as its convertible debenture is payable at a fixed interest rate and no other liabilities are subjected to variable interest rates.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial instruments held in United States dollars, expressed in Canadian dollars is as follows:

		As at July 31,
	2023	2022
	$	$
Cash	**1,262**	1,445
Accounts payable	**(263,655)**	-

A 5% change in the United States dollar against the Canadian dollar at July 31, 2023 would result in a $22,780 impact to foreign exchange gain or loss.

e) Geopolitical risk

Geopolitical risk is the risk that the fair value of financial instruments will fluctuate if there is a sudden and rapid destabilization of global financial conditions in response to future events, as government authorities may have limited resources to respond to the current or future crisis. Future crises may be precipitated by any number of factors outside the Company's control, including another pandemic, natural disasters, geopolitical instability, supply chain constraints or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Company's ability to obtain equity or debt financing or make other suitable arrangements to operate and/or finance its projects. In the event of increased levels of volatility or a rapid destabilization of global economic conditions, the Company's results of operations and financial condition could be adversely affected.

13. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity and its convertible debenture. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations including corporate and administrative functions to support operations. The Company obtains funding primarily through issuing common shares and debt. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

14. INCOME TAX

A summary of the Company's reconciliation of income taxes at statutory rates with the reported taxes for the years ended July 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Loss before income taxes	**(1,411,087)**	(1,481,240)
Expected income tax (recovery)	**(381,000)**	(396,700)
Non-deductible expenditures and non-taxable revenues	**-**	(3,300)
Change in statutory, foreign tax, foreign exchange rates and other	**(3,600)**	100
Share issuance costs	**(700)**	-
Adjustment to prior years provision versus statutory tax returns	**(253,900)**	(72,200)
Changes in unrecognized deductible temporary differences	**639,200**	472,100
Provision for income tax recovery	**-**	-

(Expressed in Canadian dollars, unless otherwise noted)

14. INCOME TAX (continued)

The Company has deductible temporary differences for which deferred tax assets have not been recognized due to the uncertainty of their recovery. The significant component of unrecognized deferred income tax assets as at July 31, 2023 and 2022 are as follows:

	2023	2022
	$	$
Non-capital losses carried forward	**1,344,300**	825,400
Acquisition costs	**169,200**	187,500
Mineral resource properties	**163,300**	46,600
Share issuance costs and financing fees	**3,000**	5,300
Property and equipment	**7,200**	5,000
Debt with accretion	**-**	(21,900)
Total unrecognized deferred income tax assets	**1,687,000**	1,047,900

As at July 31, 2023, subject to confirmation by Canadian income tax authorities, the Company has approximately $4,947,500 (2022 - $3,057,000) in Canadian non-capital losses available for carry-forward to reduce future years' taxable income, which expires commencing 2037.

The potential benefits of these carry-forward non-capital losses has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

15. SUBSEQUENT EVENTS

On August 14, 2023, the Company completed a non-brokered private placement of 13,415,000 units at $0.25 per unit for gross proceeds of $3,353,750. Of the $3,353,750 gross proceeds, $1,109,985 was received during the year ended July 31, 2023 and is included under shares to be issued within equity. Each unit comprises one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 until August 11, 2025. The Company paid finder's fees in cash of $156,525 and issued 626,100 finder's warrants. Each whole finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 until August 11, 2025.

On August 25, 2023, the Company entered into a binding term sheet (the "Binding Term Sheet 3") with Future Mining Company S.A.R.L. in the DRC, to acquire a 70% indirect interest in an exploration permit PR 14537, located in the Manono Territory, Tanganyika Province of the DRC, in exchange for:

- A cash payment of US$100,000 by September 10, 2023 (paid on September 6, 2023);
- A cash payment of US$1,000,000 and the issuance of 7,000,000 of the Company's issued and outstanding common shares for the first 60% indirect interest;
- A cash payment of US$5,000,000 for a further 10% indirect interest.

On October 15, 2023, the Company entered into a binding term sheet (the "Binding Term Sheet 4") with MEK, to acquire a 75% indirect interest in an exploration permit PR 15623, located in the Manono Territory, Haut-Katanga Province of the DRC, in exchange for:

- A cash payment of US$30,000 by on the date of the Binding Term Sheet 4;
- A cash payment of US$20,000 by February 15, 2024; and
- A cash payment of US$80,000 and the issuance of 5,000,000 of the Company's issued and outstanding common shares by April 15, 2024.