AJN RESOURCES INC.

Consolidated Financial Statements

For the years ended July 31, 2024 and 2023

(Expressed in Canadian dollars)

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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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, 2024, 2023, and August 31, 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 material accounting policy information (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, 2024, 2023, and August 1, 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 28, 2024

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

	Note	**July 31, 2024**	July 31, 2023 (Restated – Note 5)	August 1, 2022 (Restated – Note 5)
		$	$	$
ASSETS				
Current				
Cash		**320,255**	1,171,941	1,241,905
Restricted cash	6	**-**	131,770	128,240
GST receivable		**9,490**	15,140	7,614
Prepaid expenses and deposits	7	**50,562**	39,121	86,893
		380,307	1,357,972	1,464,652
Reclamation bond	8(a)	**19,142**	19,142	19,142
Exploration and evaluation assets	8	**455,698**	366,756	92,248
Equipment	9	**92,920**	14,495	21,801
Total assets		**948,067**	1,758,365	1,597,843
LIABILITIES				
Current				
Accounts payable and accrued liabilities	12	**553,474**	483,810	138,015
Accrued interest payable	10	**15,658**	71,839	40,437
Convertible debenture	10	**1,256,115**	1,256,115	1,175,027
Loans payable	12, 17	**150,000**	-	-
Total liabilities		**1,975,247**	1,811,764	1,353,479
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	11(b)	**6,698,694**	4,777,780	4,780,310
Units to be issued	11(b)	**310,000**	1,109,985	-
Reserves		**3,430,929**	1,265,596	1,265,596
Accumulated other comprehensive loss		**(74,687)**	(22,019)	(27,888)
Deficit		**(11,392,116)**	(7,184,741)	(5,773,654)
Total shareholders' equity (deficiency)		**(1,027,180)**	(53,399)	244,364
Total liabilities and shareholders' equity (deficiency)		**948,067**	1,758,365	1,597,843

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

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, 2024	2023
		$	$
Operating expenses (income)			
Depreciation	9	**29,254**	8,034
Directors' fees (recovery)	12	**-**	(34,000)
Exploration expenses	8(d)	**2,063,349**	268,077
Filing fees		**24,375**	23,147
Management fees	12	**480,000**	480,000
Marketing expense		**184,627**	181,213
Office and miscellaneous		**72,638**	130,403
Professional fees		**288,342**	182,811
Share-based compensation	11(c), 12	**894,867**	-
Travel expenses		**49,094**	57,661
		4,086,546	1,297,346
Other income (expenses)			
Accretion expense	10	**-**	(81,088)
Interest expense	10	**(31,489)**	(31,402)
Foreign exchange gain (loss)		**27,783**	(1,251)
Write-down of exploration and evaluation asset	8(a)	**(117,123)**	-
Net loss for the year		**(4,207,375)**	(1,411,087)
Other comprehensive income (loss)			
Translation of foreign operations to presentation currency		**(52,668)**	5,869
Comprehensive loss for the year		**(4,260,043)**	(1,405,218)
Net loss per share:			
Basic and diluted		**(0.10)**	(0.05)
Weighted average number of common shares:			
Basic and diluted		**41,880,623**	28,795,500

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, **2024**	2023
	$	$
Operating activities		
Net loss for the year	**(4,207,375)**	(1,411,087)
Adjustments for:		
Depreciation	**29,254**	8,034
Share-based compensation	**894,867**	-
Accretion expense	**-**	81,088
Interest expense	**31,489**	31,402
Unrealized foreign exchange loss	**(63,555)**	(7,509)
Write-down of exploration and evaluation asset	**117,123**	-
Changes in non-cash working capital:		
Restricted cash	**135,932**	-
GST receivable	**5,650**	(7,526)
Prepaid expenses and deposits	**(10,890)**	47,764
Accounts payable and accrued liabilities	**254,262**	148,562
Cash used in operating activities	**(2,813,243)**	(1,109,272)
Investing activities		
Investment in exploration and evaluation assets	**(387,702)**	(76,853)
Purchases of equipment	**(104,753)**	-
Cash used in investing activities	**(492,455)**	(76,853)
Financing activities		
Proceeds from private placement	**2,243,765**	-
Proceeds from units to be issued	**310,000**	1,109,985
Proceeds from loans payable	**150,000**	-
Share issuance costs	**(162,370)**	-
Interest paid on convertible debenture	**(87,670)**	-
Cash provided by financing activities	**2,453,725**	1,109,985
Effect of exchange rate on changes in cash	**287**	6,176
Change in cash	**(851,686)**	(69,964)
Cash, beginning of year	**1,171,941**	1,241,905
Cash, end of year	**320,255**	1,171,941
Supplemental cash flow information:		
Exploration and evaluation assets included in accounts payable	**-**	197,655

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	Units to be issued	Reserves	Accumulated other comprehensive loss	Deficit	Total shareholders' equity (deficiency)
	#	$	$	$	$	$	$
Balance, August 1, 2022 (Restated - Note 5)	28,795,500	4,780,310	-	1,265,596	(27,888)	(5,773,654)	244,364
Units to be issued	-	-	1,109,985	-	-	-	1,109,985
Share issuance costs	-	(2,530)	-	-	-	-	(2,530)
Translation of foreign operations to presentation currency	-	-	-	-	5,869	-	5,869
Net loss for the year	-	-	-	-	-	(1,411,087)	(1,411,087)
Balance, July 31, 2023 (Restated - Note 5)	28,795,500	4,777,780	1,109,985	1,265,596	(22,019)	(7,184,741)	(53,399)
Units issued in private placement	13,415,000	2,184,634	(1,109,985)	1,169,116	-	-	2,243,765
Unit issuance costs	-	(263,720)	-	101,350	-	-	(162,370)
Units to be issued	-	-	310,000	-	-	-	310,000
Share-based compensation	-	-	-	894,867	-	-	894,867
Translation of foreign operations to presentation currency	-	-	-	-	(52,668)	-	(52,668)
Net loss for the year	-	-	-	-	-	(4,207,375)	(4,207,375)
Balance, July 31, 2024	**42,210,500**	**6,698,694**	**310,000**	**3,430,929**	**(74,687)**	**(11,392,116)**	**(1,027,180)**

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 under the symbol "5AT". The address of the Company's registered office and principal place of business is Suite 1400 - 1199 West Hastings street, 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" and the "Manono Northeast Project") located in the Manono Territory, Tanganyika Province of the Democratic Republic of the Congo ("DRC"). The Company's exploration and evaluation assets (Note 8) 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, 2024, the Company awaits the transfer of permits to Congo Ressources as per the MoU.

These consolidated financial statements for the years ended July 31, 2024 and 2023 (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, 2024, the Company incurred a net loss of $4,207,375 (2023 - $1,411,087). As at July 31, 2024, the Company has current liabilities in excess of current assets of $1,594,940 (July 31, 2023 - $453,792), and accumulated deficit of $11,392,116 (July 31, 2023 - $7,184,741). 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 consolidated financial statements were approved by the Company's Board of Directors and authorized for issuance on November 28, 2024.

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

b) Basis of presentation

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

2. BASIS OF PREPARATION (continued)

c) Functional and presentation currency

These consolidated 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, to "EUR" are to Euro, and to "AUD" are to Australian dollars.

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, AJN Congo, which is located in Kinshasa, DRC. Intercompany 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 consolidated financial statements from the date control commences until the date control ceases.

3. MATERIAL 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	**Classification**
Cash	Amortized cost
Restricted cash	Amortized cost
Deposits	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Accrued interest payable	Amortized cost
Convertible debenture	Amortized cost
Loans payable	Amortized cost

3. MATERIAL 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, acquisition costs are recognized and capitalized. Costs directly related to exploration and evaluation expenditures are expensed as incurred. These costs 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.

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) 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.

3. MATERIAL ACCOUNTING POLICIES (continued)

f) 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.

g) 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.

h) 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 into a stated number of shares of the Company at a stated price per share. 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 reserves to issued share capital along with the associated proceeds from exercise. Where warrants are issued as compensation for goods received or services consumed, they are recorded as share-based compensation. Warrants issued as share issuance costs are recorded as a reduction to share capital with a corresponding increase to reserve.

i) Share-based compensation

The Company has an omnibus stock option plan under which it may grant stock options, restricted share units and deferred share units to directors, employees, consultants and service providers.

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 remains in reserves.

3. MATERIAL ACCOUNTING POLICIES (continued)

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, the Company measures the fair value using the Black-Scholes Option Pricing Model. The Company has no cash-settled share-based compensation transactions.

j) Reserves

The Company records the fair values of stock options, restricted share units, deferred share units and warrants issued as well as 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.

k) 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.

l) 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.

m) 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.

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.

3. MATERIAL ACCOUNTING POLICIES (continued)

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.

n) 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

o) Recent accounting pronouncements

Classification of liabilities - amendments to IAS 1
The Company assessed the impacts of the amendments to IAS 1 *Presentation of Financial Statements*, becoming effective after January 31, 2024, which clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments had no impact on the Company's consolidated financial statements.

Introduction of IFRS 18
On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

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.

<u>Environmental rehabilitation obligation</u>

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:

<u>Going concern</u>

These consolidated 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).

<u>Economic recoverability of future economic benefits of mineral property interests</u>

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.

<u>Indications of impairment of assets</u>

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.

<u>Determination of functional currency</u>

The functional currency of each subsidiary is determined by the primary economic environment in which it operates. This determination involves judgment, and the Company re-evaluates the functional currency when changes in events or conditions occur.

(Expressed in Canadian dollars, unless otherwise noted)

5. CHANGE IN ACCOUNTING POLICY

During the year ended July 31, 2024, the Company changed its policy under IFRS 6 - *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"). The Company originally elected to capitalize both the acquisition costs and exploration and evaluation expenditures incurred on its exploration and evaluation properties. The Company has changed its policy under IFRS 6 to expense exploration and evaluation expenditures incurred on its properties as it felt that this policy provides superior presentation of costs incurred while the Company's mineral property interests are at a pre-feasibility stage of development.

The Company has applied the change in accounting policy on a retrospective basis and has therefore restated its consolidated statement of financial position as at August 1, 2022 as follows:

	Previously reported	Effect of change	Restated
	$	$	$
ASSETS			
Current			
Cash	1,241,905	-	1,241,905
Restricted cash	128,240	-	128,240
GST receivable	7,614	-	7,614
Prepaid expenses and deposits	86,893	-	86,893
	1,464,652	-	1,464,652
Reclamation bond	19,142	-	19,142
Exploration and evaluation assets [(1)]	162,994	(70,746)	92,248
Equipment	21,801	-	21,801
Total assets	1,668,589	(70,746)	1,597,843
LIABILITIES			
Current			
Accounts payable and accrued liabilities	138,015	-	138,015
Accrued interest payable	40,437	-	40,437
Convertible debenture	1,175,027	-	1,175,027
Total liabilities	1,353,479	-	1,353,479
SHAREHOLDERS' EQUITY			
Share capital	4,780,310	-	4,780,310
Reserves	1,265,596	-	1,265,596
Accumulated other comprehensive loss	(27,888)	-	(27,888)
Deficit [(1)]	(5,702,908)	(70,746)	(5,773,654)
Total shareholders' equity	315,110	(70,746)	244,364
Total liabilities and shareholders' equity	1,668,589	(70,746)	1,597,843

(1) Expensing of historical exploration and evaluation expenditures as incurred per change in accounting policy.

(Expressed in Canadian dollars, unless otherwise noted)

5. CHANGE IN ACCOUNTING POLICY (continued)

The Company has applied the change in accounting policy on a retrospective basis and has therefore restated its statement of financial position as at July 31, 2023 as follows:

	Previously reported	Effect of change	Restated
	$	$	$
ASSETS			
Current			
Cash	1,171,941	-	1,171,941
Restricted cash	131,770	-	131,770
GST receivable	15,140	-	15,140
Prepaid expenses and deposits	39,121	-	39,121
	1,357,972	-	1,357,972
Reclamation bond	19,142	-	19,142
Exploration and evaluation assets (1)	437,502	(70,746)	366,756
Equipment	14,495	-	14,495
Total assets	1,829,111	(70,746)	1,758,365
LIABILITIES			
Current			
Accounts payable and accrued liabilities	483,810	-	483,810
Accrued interest payable	71,839	-	71,839
Convertible debenture	1,256,115	-	1,256,115
Total liabilities	1,811,764	-	1,811,764
SHAREHOLDERS' EQUITY			
Share capital	4,777,780	-	4,777,780
Units to be issued	1,109,985	-	1,109,985
Reserves	1,265,596	-	1,265,596
Accumulated other comprehensive loss	(22,019)	-	(22,019)
Deficit (1)	(7,113,995)	(70,746)	(7,184,741)
Total shareholders' equity	17,347	(70,746)	(53,399)
Total liabilities and shareholders' equity	1,829,111	(70,746)	1,758,365

(1) Expensing of historical exploration and evaluation expenditures as incurred per change in accounting policy.

The retrospective change in accounting policy had no impact on the consolidated statements of loss and comprehensive loss and cash flows for the year ended July 31, 2023.

6. RESTRICTED CASH

At July 31, 2023, restricted cash of $131,770 (US $100,000) was held in trust with legal counsel in the DRC. During the year ended July 31, 2024, the restricted cash was used toward the acquisition of Congo Ressources pursuant to the MoU (Note 1).

7. PREPAID EXPENSES AND DEPOSITS

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

	July 31, 2024	July 31, 2023
	$	$
Prepaid expenses	**41,532**	30,091
Deposits	**9,030**	9,030
	50,562	39,121

(Expressed in Canadian dollars, unless otherwise noted)

8. EXPLORATION AND EVALUATION ASSETS

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

	Salt Wells Property	Kabunda South Project	Manono Northeast Project	Total
	$			$
Acquisition cost				
Balance, July 31, 2022	92,248	-	-	92,248
Additions	10,968	65,885	197,655	274,508
Balance, July 31, 2023	103,216	65,885	197,655	366,756
Additions	13,908	176,139	-	190,047
Currency translation difference	-	6,538	9,480	16,018
Balance, July 31, 2024	**117,124**	**248,562**	**207,135**	**572,821**
Write-down				
Balance, July 31, 2023 and July 31, 2022	-	-	-	-
Write-down	(117,123)	-	-	(117,123)
Balance, July 31, 2024	**(117,123)**	**-**	**-**	**(117,123)**
Balance, July 31, 2023	103,216	65,885	197,655	366,756
Balance, July 31, 2024	**1**	**248,562**	**207,135**	**455,698**

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 in Nevada, the USA. 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, 2024 and 2023, the Company had a reclamation bond of $19,142, which is a security deposit held by the Bureau of Land Management of Nevada.

During the year ended July 31, 2024, pursuant to the impairment assessment under IFRS 6, management concluded impairment indicators existed and recorded a write-down of evaluation and exploration assets of $117,123 (2023 - $nil).

b) Kabunda South Project

MEK PR 15383

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 cash payment of US$30,000 by December 30, 2022 (paid);
- A cash payment of US$20,000 by April 30, 2023 (paid); and
- A cash payment of US$80,000 (paid) and the issuance of 6,000,000 of the Company's common shares for the 75% interest, 6 months after the issuance date of PR 15383. As at July 31, 2024, the Company is carrying out necessary due diligence prior to issuing the agreed upon number of shares to acquire the interest in MEK PR 15383.

(Expressed in Canadian dollars, unless otherwise noted)

8. EXPLORATION AND EVALUATION ASSETS (continued)

MEK PR 15623

On October 15, 2023, the Company entered into a binding term sheet (the "Binding Term Sheet 4") which was later amended on August 29, 2024, 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 ("MEK PR 15623"). On August 29, 2024, the Company and MEK amended the Binding Term Sheet 4. A summary of the consideration for the acquisition is as follows:

- A cash payment of US$30,000 by October 15, 2023 (paid);
- A cash payment of US$20,000 by February 15, 2024 (paid); and
- An issuance of 2,000,000 of the Company's common shares on or before September 15, 2024 (subsequently issued see Note 17); and
- An issuance of 5,000,000 of the Company's common shares on or before the date that is two months after the date that the Company completed all technical, financial and legal due diligence. As at July 31, 2024, the Company is carrying out necessary due diligence prior to issuing the agreed upon number of shares to acquire the interest in MEK PR 15623.

c) Manono Northeast Project

Palm PR 15282

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 cash payment of US$50,000 by June 12, 2023 (paid);
- A cash payment of US$100,000 by July 29, 2023 (paid);
- 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.

d) Exploration expenses

A summary of the Company's exploration expenses is as follows:

	Years ended July 31,	
	2024	2023
	$	$
Assaying and testing	**54,644**	-
Field work	**290,615**	104,279
Geological studies	**849,239**	121,165
Option payments	**136,228**	-
Transportation and mobilization	**588,894**	-
Other general and administrative expenses	**143,729**	42,633
	2,063,349	268,077

On August 25, 2023, the Company entered into a Binding Term Sheet 3 with Future Mining Company S.A.R.L. in the DRC to acquire a 70% indirect interest in exploration permit PR 14537, located in the Manono Territory, Tanganyika Province. As part of the agreement, the Company paid $136,228 (US$100,000) in cash to Future Mining Company S.A.R.L. However, during the year ended July 31, 2024, the Company decided not to pursue this project further and recognized the full amount of $136,228 as exploration expenses.

(Expressed in Canadian dollars, unless otherwise noted)

9. EQUIPMENT

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

	Computer equipment	Furniture and fixtures	Vehicle	Total
	$	$	$	$
Cost				
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
Additions	-	-	104,753	104,753
Currency translation differences	753	1,144	2,698	4,595
Balance, July 31, 2024	**16,440**	**24,988**	**107,451**	**148,879**
Accumulated depreciation				
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
Depreciation	3,236	4,918	21,100	29,254
Currency translation differences	528	804	337	1,669
Balance, July 31, 2024	**13,700**	**20,822**	**21,437**	**55,959**
Carrying amount				
Balance, July 31, 2023	5,751	8,744	-	14,495
Balance, July 31, 2024	**2,740**	**4,166**	**86,014**	**92,920**

10. 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 debenture bears interest at 2.5% per annum, payable annually, and is convertible into common shares at a conversion price of $0.40 per share. Conversion is at the holder's discretion at any time during the term. Additionally, after two years from the issuance date, the Company also has the right to convert the debentures into common shares if the closing price of its common shares on the CSE is equal to or greater than $2.00 for 15 consecutive trading days. The debenture matured on April 17, 2023, without any conversion, and is now due on demand.

During the year ended July 31, 2024, the Company incurred interest expense of $31,489 (2023 - $31,402) and accretion expense of $nil (2023 - $81,088). As at July 31, 2024, the convertible debenture balance was $1,256,115 (July 31, 2023 - $1,256,115) and accrued interest payable was $15,658 (July 31, 2023 - $71,839).

11. SHARE CAPITAL

a) Authorized share capital

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

(Expressed in Canadian dollars, unless otherwise noted)

11. SHARE CAPITAL (continued)

b) Share capital transactions

During the year ended July 31, 2024, the Company had the following share capital transaction:

- On August 14, 2023, the Company completed a non-brokered private placement of 13,415,000 units (the "Units") at $0.25 per unit for gross proceeds of $3,353,750, of which $1,109,985 was received during the year ended July 31, 2023. Each Unit comprises one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 until August 11, 2025 (Note 11(d)). The gross proceeds were allocated using the relative fair value method and as a result, $2,184,634 was allocated to share capital and $1,169,116 was allocated to reserves. In connection with the Private Placement, unit issuance costs totaled $263,720, comprised of cash issuance costs of $162,370 and the issuance of 626,100 warrants to finders with a fair value of $101,350. The warrants are exercisable into common shares at a price of $0.30 until August 11, 2025.

- During the year ended July 31, 2024, the Company collected $310,000 in subscription proceeds for the private placement closed subsequently to July 31, 2024 (Note 17). These subscription proceeds were included as shares to be issued on the consolidated statements of financial position as at July 31, 2024.

During the year ended July 31, 2023, the Company collected $1,109,985 in subscription proceeds and incurred share issuance costs of $2,530 for the private placement completed on August 14, 2023. These subscription proceeds were included as units to be issued on the consolidated statements of financial position as at July 31, 2023.

c) Stock options

On December 17, 2023, The Company established an omnibus equity incentive compensation plan (the "Omnibus Plan"), whereby it may grant stock options, restricted share units, deferred share units and performance units to eligible employees, officers, directors and consultants with an exercise price, expiry date and vesting conditions determined by the Company's Board of Directors. The Omnibus Plan replaces the Company's stock option plan which only provided for the grant of stock options. The Omnibus Plan is a combination of the following:

- A rolling plan reserving for issuance upon the exercise of options granted pursuant to the Omnibus Plan a maximum of 15% of the issued and outstanding shares of the Company at the date of the grant; and
- A fixed plan under which the number of shares of the Company that are issuable under the Omnibus Plan and under any other security-based compensation arrangement of the Company may not exceed 6,300,000 shares.

On December 17, 2023, the Company issued an aggregate of 3,550,000 stock options to certain of its directors, officers and consultants in accordance with the Omnibus Plan. The stock options are exercisable at $0.35 per common share of the Company until December 17, 2026 and vested immediately.

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

	Number of options outstanding	**Weighted average exercise price**
	#	$
Balance, July 31, 2022	1,425,000	0.50
Expired	(350,000)	0.20
Balance, July 31, 2023	1,075,000	0.60
Granted	3,550,000	0.35
Balance, July 31, 2024	**4,625,000**	**0.41**

(Expressed in Canadian dollars, unless otherwise noted)

11. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding and exercisable as at July 31, 2024 is as follows:

Expiry date	**Weighted average exercise price**	**Number of options outstanding**	**Number of options exercisable**	**Weighted average remaining life**
	$	#	#	Years
August 21, 2024	0.25	400,000	400,000	0.01
February 24, 2025	0.80	675,000	675,000	0.08
December 17, 2026	0.35	3,550,000	3,550,000	1.83
	0.41	**4,625,000**	**4,625,000**	**1.92**

A summary of the Company's inputs used in the Black-Scholes Option Pricing Model for stock options granted during the year ended July 31, 2024 is as follows:

Share price	$0.35
Exercise price	$0.35
Expected life	3.00 years
Risk-free interest rate	3.96%
Expected volatility	120.42%
Expected annual dividend yield	0.00%

During the year ended July 31, 2024, the Company recognized share-based compensation expense of $894,867 (2023 - $nil) pursuant to the grant of stock options.

d) Warrants

During the year ended July 31, 2024, the Company had the following warrant transactions:

- On August 14, 2023, pursuant to the private placement, the Company issued 13,415,000 Units at $0.25 per unit for gross proceeds of $3,353,750. Each unit comprises one common share and one warrant for a total of 13,415,000 warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 until August 11, 2025. The gross proceeds were allocated using the relative fair value method. As a result, $2,184,634 was allocated to share capital and $1,169,116 was allocated to reserves.

- On August 14, 2023, pursuant to the private placement, the Company issued 626,100 finders' warrants. Each finders' warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 until August 11, 2025, for a total fair value of $101,350. The fair value of the finders' warrants was determined using the Black-Scholes Option Pricing Model.

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

	Number of warrants outstanding	**Weighted average exercise price**
	#	$
Balance, July 31, 2022	2,712,500	0.50
Expired	(2,712,500)	0.50
Balance, July 31, 2023	-	-
Granted	14,041,100	0.30
Balance, July 31, 2024	**14,041,100**	**0.30**

(Expressed in Canadian dollars, unless otherwise noted)

11. SHARE CAPITAL (continued)

A summary of the Company's warrants outstanding as at July 31, 2024 is as follows:

Expiry date	Exercise price	Number of warrants outstanding	Weighted average remaining life
	$	#	Years
August 11, 2025	0.30	14,041,100	1.03

A summary of the Company's weighted average inputs used in the Black-Scholes Option Pricing Model for warrants granted during the year ended July 31, 2024 is as follows:

Share price	$0.28
Exercise price	$0.30
Expected life	2.00 years
Risk-free interest rate	4.62%
Expected volatility	112.12%
Expected annual dividend yield	0.00%

12. RELATED PARTY TRANSACTIONS

Key management personnel are those who have the authority and responsibility for planning, directing, and controlling the Company.

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

	Years ended July 31,	
	2024	2023
	$	$
Directors' fees (recovery)	**-**	(34,000)
Management fees	**480,000**	480,000
Share-based compensation	**630,188**	-
	1,110,188	446,000

During the year ended July 31, 2023, the Company recovered $34,000 in over-accrued directors' fees for one director due to the absence of a contractual obligation to pay.

On July 11, 2024, the Company entered into loan agreements with its officers for a total principal amount of $150,000. The loans payable are non-interest bearing and will mature on July 11, 2025. Subsequent to the year ended July 31, 2024, the Company settled the loans payable through the issuance of 1,500,000 units at $0.10 per unit (Note 17).

As at July 31, 2024, amounts due to related parties included in accounts payable and accrued liabilities were $188,964 (July 31, 2023 - $164,823). The amounts due to related parties are unsecured, non-interest bearing, and due on demand.

13. SEGMENTED INFORMATION

The Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker ("CODM"), responsible for making strategic decisions and allocating resources across the Company's operating segments. The CODM determines reportable segments based on the availability of separate financial information, the nature of operations, and the geographic location of business activities. Two reportable segments have been identified: the United States exploration segment and the DRC exploration segment.

(Expressed in Canadian dollars, unless otherwise noted)

13. SEGMENTED INFORMATION (continued)

A summary of the Company's segmented financial performance for the year ended July 31, 2024 is as follows:

	United States exploration segment	DRC exploration segment	Corporate	Total
	$	$	$	$
Operating expenses	-	2,219,537	1,867,009	4,086,546
Other income (expenses):				
Accretion expense	-	-	-	-
Interest expense	-	-	(31,489)	(31,489)
Foreign exchange gain (loss)	-	(7,509)	35,292	27,783
Write-down of exploration and evaluation asset	-	-	(117,123)	(117,123)
Net loss	**-**	**(2,227,046)**	**(1,980,329)**	**(4,207,375)**

A summary of the Company's segmented financial performance for the year ended July 31, 2023 is as follows:

	United States exploration segment	DRC exploration segment	Corporate	Total
	$	$	$	$
Operating expenses	-	363,821	933,525	1,297,346
Other income (expenses):				
Accretion expense	-	-	(81,088)	(81,088)
Interest expense	-	-	(31,402)	(31,402)
Foreign exchange gain (loss)	-	-	(1,251)	(1,251)
Net loss	**-**	**(363,821)**	**(1,047,266)**	**(1,411,087)**

A summary of the Company's segmented assets and liabilities as at July 31, 2024 is as follows:

	United States exploration segment	DRC exploration segment	Corporate	Total
	$	$	$	$
Current assets	9,030	46,419	324,858	380,307
Non-current assets	19,142	548,618	-	567,760
Total assets	28,172	595,037	324,858	948,067
Total liabilities	-	(308,552)	(1,666,695)	(1,975,247)

A summary of the Company's segmented assets and liabilities as at July 31, 2023 is as follows:

	United States exploration segment	DRC exploration segment	Corporate	Total
	$	$	$	$
Current assets	9,030	137,940	1,211,002	1,357,972
Non-current assets	122,358	278,035	-	400,393
Total assets	131,388	415,975	1,211,002	1,758,365
Total liabilities	-	(12,812)	(1,798,952)	(1,811,764)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at July 31, 2024, the carrying values of cash, deposits, accounts payable and accrued liabilities, accrued interest payable, convertible debenture, and loans payable approximate their respective fair values due to their short-term nature. These financial instruments are measured at amortized cost.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 and deposits. The risk exposure is limited because the Company places its cash in banks of high credit worthiness within Canada and legal counsel in the DRC, and its deposits are held with an established mining institution in Nevada, USA.

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, convertible debenture, and loans payable. Management mitigates this risk by monitoring its cash position and issuing common shares or debt as required.

As at July 31, 2024, the Company's cash balance of $320,255 (July 31, 2023 - $1,171,941) is not sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of $553,474 (July 31, 2023 - $483,810), accrued interest payable balance of $15,658 (July 31, 2023 - $71,839), convertible debenture balance of $1,256,115 (July 31, 2023 - $1,256,115) and loans payables of $150,000 (July 31, 2023 - $nil). The Company's liquidity risk is high, and it will need to raise cash in the form of debt or equity in order to meet its current obligations and remain a going concern.

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.

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 foreign currencies as at July 31, 2024, expressed in Canadian dollars, is as follows:

	USD
	$
Cash	1,151

A 5% change in the foreign currencies against the Canadian dollar as at July 31, 2024 would result in an immaterial 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.

(Expressed in Canadian dollars, unless otherwise noted)

15. 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.

16. 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, 2024 and 2023 is as follows:

	2024	2023
	$	$
Net loss for the year	**(4,207,375)**	(1,411,087)
Expected income tax (recovery)	**(1,150,200)**	(381,000)
Non-deductible expenditures and non-taxable revenues	**241,600**	-
Change in statutory, foreign tax, foreign exchange rates and other	**(17,400)**	(3,600)
Share issuance costs	**(43,800)**	(700)
Adjustment to prior years provision versus statutory tax returns	**112,500**	(253,900)
Changes in unrecognized deductible temporary differences	**857,300**	639,200
Provision for income tax recovery	**-**	-

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, 2024 and 2023 are as follows:

	2024	2023
	$	$
Non-capital losses carried forward	**1,629,100**	1,344,300
Acquisition costs	**169,200**	169,200
Mineral resource properties	**694,400**	163,300
Share issuance costs and financing fees	**35,400**	3,000
Property and equipment	**14,600**	7,200
Foreign exchange	**1,700**	-
Total unrecognized deferred income tax assets	**2,544,400**	1,687,000

As at July 31, 2024, subject to confirmation by Canadian income tax authorities, the Company has approximately $6,002,500 (2023 - $4,947,500) 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.

17. SUBSEQUENT EVENTS

On August 14, 2024, the Company completed a non-brokered private placement of 5,000,000 units at $0.10 per unit for gross proceeds of $500,000. Of the $500,000 gross proceeds, $310,000 was received during the year ended July 31, 2024 (Note 11b)). Each unit comprises one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.15 until August 14, 2028. In addition, the Company settled a total of $150,000 owed to two directors, which was included in loans payable as at July 31, 2024, through the issuance of 1,500,000 units at $0.10 per unit (Note 11).

On August 21, 2024, 400,000 options of the Company expired unexercised.

17. SUBSEQUENT EVENTS (continued)

On August 28, 2024, the Company issued an aggregate of 500,000 incentive stock options to two of its directors in accordance with the Omnibus Plan. The stock options are exercisable at $0.15 per common share of the Company until August 28, 2026 and vested immediately.

On September 13, 2024, the Company issued 2,000,000 common shares at a price of $0.09 per share to MEK pursuant to the terms under the Binding Term Sheet 4 (Note 8).

On November 19, 2024, the Company completed a non-brokered private placement of 6,180,833 units at $0.12 per unit for gross proceeds of $741,700. Each unit comprises one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.15 until November 19, 2026. Pursuant to the non-brokered private placement, the Company paid cash finder's fee of $5,400 and issued 45,000 broker's warrants.