ALERIO GOLD CORP.

Financial Statements

For the Years Ended August 31, 2024 and 2023

(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Suite 1605, 1166 Alberni Street
Vancouver, BC Canada V6E 3Z3

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Alerio Gold Corp.

Opinion

We have audited the financial statements of Alerio Gold Corp. (the "Company"), which comprise the statement of financial position as at August 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2024 and 2023, 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 audits 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 in the financial statements, which indicates that the Company has no revenues and incurred negative cash flow from operations during the year ended August 31, 2024 and, as of that date, the Company had a working capital deficit of $1,305,490 and an accumulated deficit of $19,825,728. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended August 31, 2024. 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 in our report, we have determined that there are no 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 the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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, 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. If, based on the work we have performed, 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 therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter of 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 Lonny Wong.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

December 20, 2024

ALERIO GOLD CORP.
Statements of Financial Position
As at August 31, 2024 and 2023
(Expressed in Canadian Dollars)

		2024		2023
Assets				
Current Assets				
Cash	$	3,085	$	17
Receivables		–		3,198
Prepaid expenses		–		20,654
Total Current Assets		3,085		23,869
Non-current Assets				
Exploration and evaluation assets (Note 5)		–		16,205,950
Total Assets	$	3,085	$	16,229,819
Liabilities and Shareholders' Equity (Deficit)				
Current Liabilities				
Accounts payable and accrued liabilities (Notes 8 and 12)	$	930,875	$	834,578
Loans payable (Note 6)		377,700		240,000
Total Liabilities		1,308,575		1,074,578
Shareholders' Equity (Deficit)				
Share capital (Note 7)		18,226,621		18,226,621
Reserves (Note 7)		293,617		293,617
Deficit		(19,825,728)		(3,364,997)
Total Shareholders' Equity (Deficit)		(1,305,490)		15,155,241
Total Liabilities and Shareholders' Equity (Deficit)	$	3,085	$	16,229,819

Nature of Operations and Going Concern (Note 1)
Contingency (Note 12)
Subsequent Events (Note 14)

Approved on behalf of the Board of Directors:

"Allan Fabbro" (signed)	*"Geoff Balderson" (signed)*
Director	Director

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

ALERIO GOLD CORP.

Statements of Loss and Comprehensive Loss
For the Years Ended August 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
Expenses		
Accounting and audit fees	$ 19,500	$ 37,198
Consulting fees (Note 8)	99,084	246,733
Exploration costs (Note 5)	71,313	144,127
Filing and transfer agent fees	37,776	14,490
Interest and bank charges	6,330	5,006
Legal fees	19,224	12,705
Marketing	–	312,124
Office and miscellaneous	1,554	12,059
Total Expenses	254,781	784,442
Loss Before Other Expenses	(254,781)	(784,442)
Other Expenses		
Finance costs (Note 6)	–	(138,692)
Impairment of exploration and evaluation assets (Note 5)	(16,205,950)	–
Total Other Expenses	(16,205,950)	(138,692)
Net Loss and Comprehensive Loss for the Year	$ (16,460,731)	$ (923,134)
Basic and Diluted Loss Per Share	$ (0.16)	$ (0.01)
Weighted Average Number of Common Shares Outstanding	101,230,827	101,230,827

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

ALERO GOLD CORP.
Statements of Changes in Shareholders' Equity (Deficit)
For the Years Ended August 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Share Capital				
	Number Outstanding	Amount	Reserves	Deficit	Total Shareholders' Equity (Deficit)
Balance, August 31, 2022	101,230,827	$ 18,226,621	$ 222,000	$ (2,468,938)	$ 15,979,683
Warrants issued	–	–	98,692	–	98,692
Reclassification of expired stock options	–	–	(27,075)	27,075	–
Net loss for the year	–	–	–	(923,134)	(923,134)
Balance, August 31, 2023	101,230,827	18,226,621	293,617	(3,364,997)	15,155,241
Net loss for the year	–	–	–	(16,460,731)	(16,460,731)
Balance, August 31, 2024	101,230,827	$ 18,226,621	$ 293,617	$(19,825,728)	$ (1,305,490)

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

ALERIO GOLD CORP.
Statements of Cash Flows
For the Years Ended August 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
Operating Activities		
Net loss for the year	$ (16,460,731)	$ (923,134)
Items not affecting cash:		
Finance costs	–	98,692
Impairment of exploration and evaluation assets	16,205,950	–
Changes in non-cash working capital:		
Receivables	3,198	45,979
Prepaid expenses	20,654	48,615
Accounts payable and accrued liabilities	96,297	523,362
Net Cash Used in Operating Activities	(134,632)	(206,486)
Financing Activities		
Proceeds from loans payable	137,700	200,000
Net Cash Provided by Financing Activities	137,700	200,000
Change in Cash	3,068	(6,486)
Cash, Beginning of Year	17	6,503
Cash, End of Year	$ 3,085	$ 17

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Alerio Gold Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on March 22, 2018. On June 11, 2019, the Company completed its initial public offering ("IPO"). On October 28, 2021, the Company changed its name to Alerio Gold Corp. from Project One Resources Ltd. and is listed on the Canadian Securities Exchange ("CSE") under the ticker ALE. The principal business of the Company is the acquisition, exploration, and evaluation of resource properties with its main focus in Guyana, South America. On November 22, 2021, the Company was accepted for listing and commenced trading on the Frankfurt Stock Exchange under the symbol "3FRO" with a WKN number of A3C6XZ.

The Company's head office address is Suite 459, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, and its registered office address is Suite 1710, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

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. During the year ended August 31, 2024, the Company had no revenues and incurred negative cash flow from operations. As at August 31, 2024, the Company had a working capital deficit of $1,305,490 (2023 – $1,050,709) and an accumulated deficit of $19,825,728 (2023 – $3,364,997). Without additional financing, the Company may not be able to fund its ongoing operations and complete exploration activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuances. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

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 IFRS Interpretations Committee.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on December 20, 2024.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the material accounting policy information set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently in the financial statements, unless otherwise indicated.

Exploration and evaluation assets

Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as expenses as they are incurred during the period. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

Management reviews the carrying value of capitalized exploration costs annually. The review is based on the Company's intentions for development of the property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the project. If a project does not prove viable, all irrecoverable costs associated with the project, net of any impairment provisions, are written off.

Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as property, plant, and equipment. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and are classified as a component of property, plant and equipment.

Impairment

The carrying value of all categories of mineral property are reviewed at least annually by management for indicators the recoverable amount may be less than the carrying value. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash-generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in the statement of loss to the extent the carrying amount exceeds the recoverable amount.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets (continued)

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs. Once calculated, 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.

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in the statement of loss. Assumptions such as commodity prices, discount rate, and expenditures underlying the fair value estimates are subject to risk uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged to the statement of loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged in the statement of loss as extraction progresses.

Financial instruments

Financial assets

<u>Initial recognition and measurement</u>

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss. The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- The asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company's cash is classified as amortized cost.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income remain within accumulated other comprehensive income when the financial instrument is derecognized or its fair value substantially decreases.

There are no financial assets classified as measured at FVTOCI.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value therein recognized in the statement of loss. The Company classifies cash as amortized cost.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- The contractual rights to receive cash flows from the asset have expired; or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in the statement of loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities and loan payable which are classified as amortized cost.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash, accounts payable and accrued liabilities, and loan payable. Their carrying values approximate their fair values due to the short-term maturity of these instruments.

Common shares

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements is determined to be the more easily measurable component and is valued at their fair value, as determined by the closing quoted bid price on the date of issuance once the shares are listed on a stock exchange. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Shares issued for consideration other than cash are valued at the fair value of assets received or services rendered. If the fair value of assets received or services rendered cannot be reliably measured, shares issued for consideration will be fair valued at the date of issuance.

Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is not adjusted for the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. As at August 31, 2024, the Company had 3,000,000 (2023 – 6,605,870) potentially dilutive shares outstanding.

Share-based payments

Equity-settled share-based payments for directors, officers, and employees are measured at fair value at the date of grant using the Black-Scholes valuation model and recorded as compensation expense in the statement of loss, with a corresponding increase to reserves. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of stock options that will eventually vest. Any consideration paid by directors, officers, employees, and consultants on exercise of equity-settled share-based payments, along with the amounts reflected in reserves, is credited to share capital. Shares are issued from treasury upon the exercise of the equity-settled share-based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by the use of the Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. Amounts recorded in reserves for share options which expire unexercised are transferred to deficit.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss), in which case the income tax is also recognized directly in equity or other comprehensive income (loss).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes (continued)

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for other than business combination which does not have an impact. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

Recent accounting pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended August 31, 2024, and have not been applied in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. See Note 1.

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economic assessments/studies, accessible facilities and existing permits.

5. EXPLORATION AND EVALUATION ASSETS

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

	Tassawini and Harpy Properties $	Purini Property $	Total $
Acquisition Costs:			
Balance, August 31, 2022 and 2023	13,336,107	2,869,843	16,205,950
Impairment	(13,336,107)	(2,869,843)	(16,205,950)
Balance, August 31, 2024	–	–	–

Tassawini and Harpy properties, Guyana

On October 5, 2021, the Company entered into an agreement to acquire 100% of the right, title and interest to two gold properties in Guyana known as the Tassawini and Harpy properties with each property holding four mining permits. As consideration, the Company paid $636,889 (US$500,000) and issued 50,000,000 common shares with a fair value of $12,500,000. The Company also capitalized $199,218 in legal costs incurred in connection with this acquisition. Goldeneye Capital Ltd. will retain a 3% royalty over the Tassawini property, and the Company has an option to repurchase up to one-half of the 3% royalty for US$3,000,000 per percentage point.

During the year ended August 31, 2024, the Company recorded an impairment of $13,336,107 due to the lack of funds needed to conduct exploration activities.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Purini property, Guyana

On June 28, 2022, the Company entered into an asset purchase agreement with Purini Partnership to acquire 100% interest in five prospecting permits located near the Purini River in the Mazaruni Mining District No. 3, Guyana. As consideration, the Company paid $300,000 and issued 27,000,000 common shares with a fair value of $2,430,000. In connection with the asset purchase, the Company issued 1,000,000 common shares with a fair value of $100,000 to RSJ Consulting Inc. to facilitate the transaction. The Company also capitalized $39,843 in legal costs incurred in connection with this asset purchase.

During the year ended August 31, 2024, the Company recorded an impairment of $2,869,843 due to the lack of funds needed to conduct exploration activities.

Details of exploration activities during the years ended August 31, 2024 and 2023 are as follows:

		2024		2023
Security	$	71,313	$	144,127

6. LOANS PAYABLE

(a) On February 8, 2023, the Company entered into a loan agreement with a lender at arm's length for proceeds of $100,000. The loan is unsecured, non-interest bearing, and due on or before 90 days from the date of advance. In connection with this loan, the Company issued 1,000,000 share purchase warrants exercisable at $0.10 per common share expiring on February 8, 2024. The share purchase warrants had a fair value of $22,192 which was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.76%; dividend yield of 0%; volatility of 146%; and an expected life of one year. The lender and the Company agreed to cancel the 1,000,000 share purchase warrants issued on February 8, 2023.

On June 30, 2023, the Company entered into a loan agreement with the lender at arm's length for $200,000 which replaced the February 8, 2023 agreement. The loan is unsecured, non-interest bearing, and due on demand. In connection with the loan, the Company agreed to pay a fee of $40,000 and issue 3,000,000 share purchase warrants exercisable at $0.05 per common share expiring on June 30, 2026. The share purchase warrants had a fair value of $76,500 which was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4%; dividend yield of 0%; volatility of 135%; and an expected life of three years.

(b) On December 15, 2023, the Company issued a promissory note to a lender at arm's length for proceeds of $57,700. The promissory note is unsecured, non-interest bearing, and due on demand.

(c) On April 25, 2024, the Company issued a promissory note to a director of the Company for proceeds of $35,000. The promissory note is unsecured, non-interest bearing, and due on demand.

(d) On April 26, 2024, the Company issued a promissory note to a lender at arm's length for proceeds of $30,000. The promissory note is unsecured, non-interest bearing, and due on demand.

(e) On July 23, 2024, the Company issued a promissory note to the CEO of the Company for proceeds of $15,000. The promissory note is unsecured, non-interest bearing, and due on demand.

(Expressed in Canadian Dollars)

7. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

As at August 31, 2024 and 2023, the Company had 101,230,827 common shares outstanding.

There was no share transactions during the year ended August 31, 2024 and 2023.

(c) Escrow shares

On October 28, 2021, the Company executed escrow agreements with an escrow agent and a security holder where they agreed to deposit 42,400,000 common shares in escrow. Under the escrow agreement, 10% of the shares were released on November 3, 2021 and 15% of the shares will be released every six months following. As at August 31, 2024, the Company has 6,360,000 (2023 – 19,080,000) common shares held in escrow and the next release of 6,360,000 is on November 3, 2024.

(d) Stock options

The Company's stock option plan authorizes the issuance of options up to a maximum of 10% of the Company's issued shares. The exercise price of any option granted shall not be less than the fair market value of the shares at the time of the grant. The expiry date for each option, set by the Board of Directors at the time of issue, shall not be more than ten years after the grant date. Unless stipulated by the Board of Directors, options granted generally vest fully on the date of grant.

	2024		**2023**	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding and exercisable, beginning of year	–	$ –	750,000	$ 0.10
Expired	–	–	(750,000)	0.10
Outstanding and exercisable, ending of year	–	$ –	–	$ –

There are no stock options outstanding during the year ended August 31, 2024 and 2023.

(Expressed in Canadian Dollars)

7. SHAREHOLDERS' EQUITY (continued)

(e) Share purchase warrants

	2024		2023	
	Number of share purchase warrants	Weighted average exercise price	Number of share purchase warrants	Weighted average exercise price
Outstanding, beginning of year	6,605,870	$ 0.24	3,605,870	$ 0.40
Issued	–	–	4,000,000	0.06
Cancelled	–	–	(1,000,000)	0.10
Expired	(3,605,870)	0.40	–	–
Outstanding, end of year	3,000,000	$ 0.05	6,605,870	$ 0.24

Number of warrants outstanding	Exercise price	Expiry date	Weighted average remaining life (years)
3,000,000	$ 0.05	June 30, 2026	1.83

8. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

	2024	2023
Consulting fees incurred to:		
A company controlled by the CFO	$ 37,800	$ 37,500
A company controlled by VP of corporate development	50,500	–
	$ 88,300	$ 37,500

Included in accounts payable and accrued liabilities for August 31, 2024 are the following:

(a) $37,090 (2023 – $5,700) owed to a company controlled by the CFO

(b) $50,500 (2023 – $Nil) owed to a company controlled by the VP of Corporate Development

(c) $9,975 (2023 – $9,975) owed to a company controlled by the COO.

9. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has mineral exploration properties located in Guyana. As at August 31, 2024 and 2023, the Company did not have any significant financial assets or liabilities denominated in a foreign currency. Foreign exchange rate risk will arise from purchase transactions as well as financial assets and liabilities denominated in a foreign currency.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due.

As at August 31, 2024, the Company had cash of $3,085 (2023 – $17) available to apply against short-term business requirements and current liabilities of $1,313,825 (2023 – $1,042,178). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of August 31, 2024. The Company relies on raising debt or equity financing in a timely manner.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. SEGMENTED INFORMATION

The Company has one operating segment, the acquisition, exploration, and evaluation of resource properties. All non-current assets are located in Guyana.

(Expressed in Canadian Dollars)

11. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company did not change its approach to capital management during the year ended August 31, 2024.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

12. CONTINGENCY

On November 7, 2023, a legal proceeding was filed against the Company for breach of contract. The Company entered into a marketing agreement with the plaintiff on February 2, 2022, pursuant to which the plaintiff was to provide marketing services to the Company at $22,500 per month plus taxes for an initial term of twelve months and automatically renewed for successive six-month periods until written notice is provided by the Company at least 30 days prior to the end of the initial term or a renewal term. The amount of the claim is $405,000. This amount is included in accounts payable and accrued liabilities as of August 31, 2024 and 2023.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	2024	2023
Net loss for the year	$ (16,460,731)	$ (923,134)
Tax rate	27%	27%
Expected recovery	(4,444,397)	(249,246)
Permanent differences	–	21,751
Change in unrecognized deferred income tax assets	4,444,397	227,495
Income tax provision	$ –	$ –

Deferred income tax assets are only recognized to the extent that the realization of tax benefits is determined to be probable. As at August 31, 2024 and 2023, the Company has not recognized the benefit of the following deductible temporary differences:

	Expiry	2024	Expiry	2023
Exploration and evaluation assets	No expiry date	$ 16,702,086	No expiry date	$ 496,136
Share issuance costs	2024 to 2027	25,953	2024 to 2027	45,507
Non-capital losses	2038 to 2044	3,180,964	2038 to 2043	2,906,629
		$ 19,909,003		$ 3,448,272

14. SUBSEQUENT EVENTS

(a) On October 17, 2024, the Company issued promissory notes for proceeds of $15,000 to a non-related party. The promissory notes is unsecured, non-interest bearing, and due on January 31, 2025.

(b) On November 14, 2024, the Company issued a promissory note for proceeds of $19,700 to a non-related party. The promissory note is unsecured, non-interest bearing, and due on March 14, 2025.