Kraken Energy Corp.

Consolidated Financial Statements
For the Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Kraken Energy Corp.

Opinion

We have audited the accompanying consolidated financial statements of Kraken Energy Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 consolidated 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 consolidated 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has not yet achieved profitable operations and had accumulated losses of $20,488,206. As stated in Note 1, these events and conditions 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 consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $22,563,025 as of June 30, 2024. As more fully described in Note 3 and 4 of the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the key controls associated with evaluating the E&E Assets for indicators of impairment.
- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for the following year.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company's rights to explore E&E Assets including sending confirmation requests to optionors to ensure good standing of agreements.
- Obtaining, on a test basis through government websites confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current year ended 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 Daniel Nathan.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

October 21, 2024

Kraken Energy Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		As at June 30, 2024		June 30, 2023
ASSETS					
Current Assets					
Cash and cash equivalents	5	$	1,476,633	$	5,231,692
Prepaid expenses			106,134		563,530
Loan advanced to related party	8		16,500		34,375
GST receivable			6,174		7,766
			1,605,441		5,837,363
Non-Current Assets					
Exploration and evaluation assets	6		22,563,025		21,378,713
TOTAL ASSETS		**$**	**24,168,466**	**$**	**27,216,076**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	8	$	120,765	$	192,545
TOTAL LIABILITIES			**120,765**		**192,545**
SHAREHOLDERS' EQUITY					
Share capital	7		41,819,275		41,380,766
Reserve	7		1,227,982		1,914,073
Accumulated other comprehensive income			1,488,650		733,096
Deficit			(20,488,206)		(17,004,404)
TOTAL SHAREHOLDERS' EQUITY			**24,047,701**		**27,023,531**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**24,168,466**	**$**	**27,216,076**

Nature and continuance of operations and going concern (Note 1)
Subsequent event (Note 13)

These consolidated financial statements were authorized for issue by the Board of Directors on October 21, 2024. They are signed by the Board of Directors by:

"Garrett Ainsworth"
Director

"Brian Goss"
Interim CEO and Director

Kraken Energy Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes		For the Years Ended June 30, 2024		June 30, 2023
Expenses					
Exploration expenditures	6	$	2,441,517	$	4,209,815
Office and miscellaneous	8		600,507		270,279
Management fees	8		466,588		425,597
Professional fees	8		162,801		388,864
Marketing and shareholder relations			608,820		996,579
Stock-based compensation	7, 8		63,730		1,186,094
Transfer agent fees			47,084		19,277
			(4,391,047)		(7,496,505)
Other items					
Interest income			143,525		217,589
Net loss		**$**	**(4,247,522)**	**$**	**(7,278,916)**
Other comprehensive income					
Translation adjustment			755,554		729,684
Comprehensive loss		**$**	**(3,491,968)**	**$**	**(6,549,232)**
Loss per share – basic and diluted		**$**	**(0.08)**	**$**	**(0.13)**
Weighted average number of common shares outstanding – basic and diluted			**54,380,090**		**54,202,352**

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

Kraken Energy Corp.
Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Notes	Share capital		Reserves	Accumulated other comprehensive income	Deficit	Total
		Number	Amount				
Balance at June 30, 2022		**54,147,091**	**$ 41,312,416**	**$ 3,323,607**	**$ 3,412**	**$ (12,321,116)**	**$ 32,318,319**
Shares issued from acquisition of Garfield Hills property		50,000	37,000	-	-	-	37,000
Shares issued for acquisition of Harts Point Property		110,000	31,350	-	-	-	31,350
Stock-based compensation		-	-	1,186,094	-	-	1,186,094
Fair value of forfeited options		-	-	(528,121)	-	528,121	-
Fair value of expired warrants		-	-	(2,067,507)	-	2,067,507	-
Foreign exchange translation of subsidiary		-	-	-	729,684	-	729,684
Loss for the year		-	-	-	-	(7,278,916)	(7,278,916)
Balance at June 30, 2023		**54,307,091**	**$ 41,380,766**	**$ 1,914,073**	**$ 733,096**	**$ (17,004,404)**	**$ 27,023,531**
Balance at June 30, 2023		**54,307,091**	**$ 41,380,766**	**$ 1,914,073**	**$ 733,096**	**$ (17,004,404)**	**$ 27,023,531**
Shares issued for acquisition of Garfield Hills Property	6,7	50,000	13,750	-	-	-	13,750
Shares issued for non-brokered private placement	7	5,258,890	473,300	-	-	-	473,300
Share issuance costs	7	-	(48,541)	13,899	-	-	(34,642)
Fair value of expired options	7	-	-	(763,720)	-	763,720	-
Stock-based compensation	7	-	-	63,730	-	-	63,730
Foreign exchange translation of subsidiary		-	-	-	755,554	-	755,554
Loss for the year		-	-	-	-	(4,247,522)	(4,247,522)
Balance at June 30, 2024		**59,615,981**	**$ 41,819,275**	**$ 1,227,982**	**$ 1,488,650**	**$ (20,488,206)**	**$ 24,047,701**

Kraken Energy Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Years Ended	
	June 30, 2024	June 30, 2023
Operating activities:		
Loss for the year	$ (4,247,522)	$ (7,278,916)
Item not involving cash:		
Stock-based compensation	63,730	1,186,094
Interest income	(143,525)	(217,589)
Changes in non-cash working capital items:		
Receivables and prepaid expenses	468,872	(141,666)
Accounts payable and accrued liabilities	(53,905)	(183,007)
Loans payable	-	(2,900)
Net cash flows used in operating activities	**(3,912,350)**	**(6,637,984)**
Investing activities:		
Exploration and evaluation assets	(424,892)	(438,975)
Loans advanced to related parties	-	(34,375)
Interest received from GIC	143,525	232,778
Net cash flows used in investing activities	**(281,367)**	**(240,572)**
Financing activities:		
Proceeds from issuance of shares, net of share issuance costs	438,658	-
Net cash flows provided by financing activities	**438,658**	**-**
Change in cash and cash equivalents	(3,755,059)	(6,878,556)
Cash and cash equivalents, beginning	5,231,692	12,110,248
Cash and cash equivalents, ending	**$ 1,476,633**	**$ 5,231,692**
Supplemental non-cash activities:		
Income taxes paid	$ -	$ -
Interest paid	$ -	$ -
Shares issued pursuant to Garfield Hills option agreement	$ 13,750	$ 37,000
Shares issued for Harts Point property	$ -	$ 31,350

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Kraken Energy Corp. (the "Company" or "Kraken Energy") was incorporated on July 4, 2011, under the Canada Business Corporations Act. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company's common shares trade on the Canadian Securities Exchange under the stock symbol "UUSA" and the OTCQB under the stock symbol "UUSAF".

The head office and principal address of the Company is Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3. The records office and registered address is Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. At June 30, 2024, the Company had not yet achieved profitable operations and had accumulated losses of $20,488,206 (June 30, 2023 – $17,004,404) since its inception. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, and exploration and development activities. These consolidated financial statements do not give effect to adjustments, which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These consolidated financial statements were authorized for issue by the directors of the Company on October 21, 2024.

Statement of compliance

These consolidated financial statements have been prepared in compliance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for some financial instruments classified in accordance with measurements standards under IFRS. These consolidated financial statements are presented in Canadian dollars unless otherwise specified. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Details of controlled subsidiaries are as follows:

		Percentage owned*	
	Country of incorporation	**June 30, 2024**	**June 30, 2023**
Kraken Energy (Nevada) Corp. ("Kraken Nevada")	United States	100%	100%
Panerai Capital Corp. ("Panerai")	Canada	100%	100%
Panerai Capital USA Corp. ("Panerai USA")	United States	100%	100%

**Percentage of voting power is in proportion to ownership*

Presentation and functional currency

The functional currency of each entity is measured using the currency of the primary economic environment in which the entity operates. The functional currency of Kraken Energy and Panerai are Canadian dollars and the functional currency of Kraken Nevada and Panerai USA are US dollars. These consolidated financial statements are presented in Canadian dollars.

3. MATERIAL ACCOUNTING POLICIES

a) Financial instruments

i) Classification and measurement

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classifications under IFRS 9:

	IFRS 9 Classification
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

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

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

ii) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

b) Exploration and evaluation assets

All exploration and evaluation expenditures incurred to acquire and sustain exploration property licenses, including the fair value of exploration and evaluation assets acquired, are capitalized. Costs associated with exploration and evaluation activities, including eligible expenditures under option agreements, are recorded as exploration expenses until it has been established that a mineral property is commercially viable and technically feasible.

c) Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

d) Site closure and reclamation provision

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. For the years presented, the Company has not recognized any site closure and reclamation provision.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset. These costs are depreciated on a basis consistent with depreciation, depletion, and amortization of the underlying assets.

e) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued. If it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Expired options are reclassified to deficit upon expiry.

f) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for 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 period.

g) Foreign currency translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The functional currency of Kraken and Panerai are Canadian dollars and the functional currency of Kraken Nevada and Panerai USA are US dollars. These consolidated financial statements are presented in Canadian dollars.

Transactions and balances

Foreign currency transactions are translated into 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 statement of loss 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 income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

h) Share capital

The proceeds from the exercise of stock options, common share purchase warrants and purchase of common shares are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair value of these common shares.

The proceeds from the issuance of units is allocated between common shares and common share purchase warrants based on the residual value method. The fair value of the common share purchase warrants are determined using the Black-Scholes Option Pricing Model ("Black-Scholes").

All costs related to issuances of equity are charged against the proceeds received.

i) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

j) New accounting pronouncements

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments – Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

The amendments were applied effective July 1, 2023, and did not have a material impact on the Company’s consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements, which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes.

IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

<u>Significant accounting judgements</u>

Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

(Expressed in Canadian Dollars)

Impairment of long-lived assets

The carrying value and the recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Share-based payments

The Company uses Black-Scholes to calculate the fair value stock options and common share purchase warrants issued. Black Scholes requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants.

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

5. CASH AND CASH EQUIVALENTS

	June 30, 2024	June 30, 2023
Cash	$ 473,725	$ 1,450,811
Cash held in GIC	1,002,908	3,780,881
Total	**$ 1,476,633**	**$ 5,231,692**

Cash equivalents are held in cashable guaranteed investment certificates ("GIC") with an interest rate of 5.40%.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The following summarizes the cumulative costs capitalized as exploration and evaluation assets as at June 30, 2024:

	Apex Property	Garfield Property	Huber Hills Property	Harts Point Property	Total
Property Acquisition Costs					
Balance, June 30, 2022	$ 20,133,996	$ -	$ -	$ -	$ 20,133,996
Acquisitions – shares	-	37,000	-	31,350	68,350
Acquisitions – cash	-	26,795	-	-	26,795
Claims and bond fees	205,733	47,218	81,462	77,725	412,138
Currency translation adjustment	740,167	(860)	(959)	(914)	737,434
Balance, June 30, 2023	**$ 21,079,896**	**$ 110,153**	**$ 80,503**	**$ 108,161**	**$ 21,378,713**
Acquisitions – shares	-	13,750	-	-	13,750
Acquisitions – cash	-	40,669	-	-	40,669
Claims and bond fees	203,249	46,655	7,763	132,552	390,219
Currency translation adjustment	727,142	4,809	2,794	4,929	739,674
Balance, June 30, 2024	**$ 22,010,287**	**$ 216,036**	**$ 91,060**	**$ 245,642**	**$ 22,563,025**

The following summarizes exploration and evaluation expenses incurred during the years ended June 30, 2024 and 2023:

	Apex Property	Garfield Property	Huber Hills Property	Harts Point Property	Total
Exploration and evaluation costs					
Costs incurred during the year ended June 30, 2023:					
Assay and analysis	$ -	$ 27,575	$ -	$ 220	$ 27,795
Camp and crew costs	8,844	19,714	10,375	16,349	55,282
Drilling	-	2,018,182	-	-	2,018,182
Equipment	54,018	74,773	-	24,630	153,421
General consulting	50,340	52,550	19,047	10,819	132,756
Engineering exploration	6,157	388,324	-	-	394,481
Geological consulting	131,696	380,690	5,727	19,115	537,228
Mapping	8,641	-	-	-	8,641
Permits	8,842	42,690	-	-	51,532
Surveying	728,287	102,210	-	-	830,497
Balance, June 30, 2023	**$ 996,825**	**$ 3,106,708**	**$ 35,149**	**$ 71,133**	**$ 4,209,815**
Costs incurred during the year ended June 30, 2024:					
Assay and analysis	$ 678	$ -	$ 2,908	$ -	$ 3,586
Camp and crew costs	44,119	4,773	819	10,777	60,488
Drilling	799,370	-	-	710,883	1,510,253
Equipment rental	9,327	10,964	-	62,114	82,405
General consulting	221,405	25,427	5,592	75,352	327,776
Geological consulting	160,925	-	1,288	89,834	252,047
Mapping	2,033	-	-	-	2,033
Permits	144,475	782	2,966	18,351	166,574
Surveying	26,492	-	-	-	26,492
Transportation	-	-	-	9,863	9,863
Balance, June 30, 2024	**$ 1,408,824**	**$ 41,946**	**$ 13,573**	**$ 977,174**	**$ 2,441,517**

Apex Property

On April 8, 2022,the Company acquired a 100% interest in the Apex Property in Nevada, USA. The Apex Property remains subject to a 3% net smelter return ("NSR") royalty in favour of the property vendors.

On May 27, 2022, the Company acquired additional lode mining claims in Lander County, Nevada surrounding the Apex property. The additional claims acquired now form part of the Apex Property.

Harts Point Property

On May 19, 2023, and amended on November 29, 2023, the Company entered into a definitive option agreement with Atomic Minerals Corporation ("Atomic") in order to acquire a 75% interest in the Harts Point Uranium Property, located within San Juan County, in Utah, USA. Under the terms of the agreement, the Company may acquire up to 75% of the Harts Point Property by meeting the following requirements:

a. Kraken will be the operator and must incur cumulative US$1 million and US$1.5 million of eligible expenditures within 12 months (by November 29, 2024) and 18 months (by May 29, 2025), to earn a 65% interest (the "Initial Option").
b. Kraken has the option to increase its interest in the Property from 65% to 75% by incurring an additional US$2.0 million of eligible expenditures within 30 months (by May 29, 2026) and issuing Atomic 2,000,000 common shares of Kraken (the "Extended Option").
c. Kraken will grant Atomic a 2.0% net smelter royalty (subject to a buy down to 1.0% for US$5.0 million).
d. After the Initial Option or the Extended Option, a definitive Joint Venture Agreement will be formed.

Garfield Hills Property

In 2022, the Company entered into an option agreement to acquire 100% of certain mining claims, including those encompassing the Garfield Hills Property, located east of Hawthorne, Nevada. Pursuant to the option agreement, Kraken may acquire a 100% interest in the Garfield Hills Property upon the following principal terms:

a. Kraken will spend at least US$50,000 in exploration expenditures on the property within the first year (incurred).
b. Kraken will make cash payments totaling US$150,000 over a three-year period as follows:
    - US$20,000 upon signing the option agreement (paid);
    - US$30,000 on or before August 9, 2023, the end of the first year (paid);
    - US$50,000 on or before August 9, 2024, the end of the second year (paid subsequent to June 30, 2024); and
    - US$50,000 on or before August 9, 2025, the end of the third year.
c. Kraken will issue 250,000 common shares in the Company over a three-year period as follows:
    - 50,000 upon signing the option agreement (issued at fair value of $37,000 (Note 7));
    - 50,000 on or before August 9, 2023, the end of the first year (issued at fair value of $13,750 (Note 7);
    - 75,000 on or before August 9, 2024, the end of the second year (issued subsequent to June 30, 2024 (Note 13)); and
    - 75,000 on or before August 9, 2025, the end of the third year.
d. Kraken will grant a production royalty equal to 2.0% of the NSR from the property. The Company may, at any time, repurchase 50% of the NSR royalty for a one-time payment of US$250,000 by Kraken to the optionor.

Huber Hills Property

During the year ended June 30, 2023, the Company staked claims encompassing the Huber Hills Uranium project ("Huber Hills"). Huber Hills is located within Elko County in Nevada, USA

7. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

On June 30, 2024, there were 59,615,981 (June 30, 2023 – 54,307,091) issued and fully paid common shares.

For the year ended June 30, 2024

On August 11, 2023, the Company issued 50,000 common shares at $0.275 per share for a fair value of $13,750 pursuant to the Garfield Hills Property option agreement (Note 6).

On June 28, 2024, the company closed a non-brokered private placement for gross proceeds of $473,300 by issuing 5,258,890 Units at a price of $0.09 per Unit. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant. Each full warrant is exercisable at a price of $0.20 and expires on June 28, 2027. No value was ascribed to the warrants under the residual value method.

In connection with the private placement, the Company incurred finders' fees of $21,513 and incurred other share issuance costs of $13,129. In addition, the Company issued 239,033 finders' warrants, under the same terms as the warrants above.

The fair value of the finders' warrants was determined to be $13,899 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 3.88%, expected life of 3 years, volatility factor of 96% and dividend yield of Nil.

For the year ended June 30, 2023

On August 12, 2022, the Company issued 50,000 common shares at $0.74 per share for a total fair value of $37,000 pursuant to the Garfield Hills Property option agreement (Note 6).

On May 24, 2023, the Company issued 110,000 common shares at $0.29 per share for a total fair value of $31,350 in connection with the acquisition of the Harts Point property (Note 6).

Stock options

The Company has a rolling stock option plan, which authorizes the Board of Directors to grant options to directors, officers, employees, and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 5 years. Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy.

(Expressed in Canadian Dollars)

The fair value of stock options was determined using the Black-Scholes Option Pricing Model. Inputs for options granted during the years ended June 30, 2024 and 2023, are as follows:

Grant Date	Expiry Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield	Fair Value
March 25, 2024	March 25, 2029	$0.20	3.51%	5 years	89%	Nil	$0.09
April 25, 2023	April 25, 2027	$1.74	2.67%	5 years	110%	Nil	$1.39
April 3, 2023	April 3, 2028	$0.50	2.94%	5 years	110%	Nil	$0.25
October 11, 2022	October 11, 2027	$1.00	3.62%	5 years	112%	Nil	$0.44

A summary of the continuity of the Company's stock options is as follows:

	June 30, 2024		June 30, 2023	
	Number outstanding	**Weighted average exercise price**	**Number outstanding**	**Weighted average exercise price**
Outstanding, beginning	3,650,000	$ 0.96	1,650,000	$ 0.94
Granted	700,000	0.20	2,850,000	0.93
Forfeited	(1,250,000)	0.90	(850,000)	0.82
Outstanding and exercisable, ending	3,100,000	$ 0.82	3,650,000	$ 0.96

During the year ended June 30, 2024, 1,250,000 stock options were forfeited with a fair value of $763,720 (2023 - $528,121), which was reclassified to deficit.

Stock options outstanding and exercisable as of June 30, 2024 are as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining contractual life (in years)
June 9, 2027	200,000	200,000	$ 1.27	2.94
October 11, 2027	2,075,000	2,075,000	$ 1.00	3.28
April 3, 2028	125,000	125,000	$ 0.50	3.76
March 25, 2029	700,000	700,000	$ 0.20	4.74

During the year ended June 30, 2024, the Company recorded stock-based compensation expense of $63,730 (2023 - $1,186,094).

(Expressed in Canadian Dollars)

Warrants

A summary of the continuity of the Company's warrants is as follows:

	June 30, 2024		June 30, 2023	
	Number of warrants	**Exercise price**	**Number of warrants**	**Exercise price**
Outstanding, beginning	**-**	**$ -**	6,055,450	$ 1.85
Issued	2,868,478	0.20	-	-
Expired	-	-	(6,055,450)	1.85
Outstanding, ending	**2,868,478**	**$ 0.20**	**-**	**$ -**

Warrants outstanding and exercisable as of June 30, 2024, are as follows:

Expiry date	Warrants outstanding	Warrants exercisable	Exercise price	Remaining contractual life (in years)
June 28, 2027	2,629,445	2,629,445	$ 0.20	2.99
June 28, 2027	239,033	239,033	$ 0.20	2.99

8. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel and close family members of its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of its directors, the Chief Executive Officer and the Chief Financial Officer.

	Year Ended June 30, 2024	June 30, 2023
Share-based compensation	$ 36,417	$ 821,761
Exploration – general consulting	198,037	72,026
Management fees	466,588	425,597
Professional fees	-	40,598
Total	$ 701,042	$ 1,359,982

As at June 30, 2024, accounts payable and accrued liabilities include $11,316 owing to related parties in respect of expenses incurred on behalf of the Company (June 30, 2023 - $2,730) and $19,000 for services provided to the Company (June 30, 2023 – $88,894). Amounts due to the related parties are unsecured, non-interest bearing and have no specified terms of repayment.

During the year ended June 30, 2024, the Company paid $216,551 (2023 - $40,949) respectively, to a company controlled by an officer of the Company for geological labour and equipment rentals, which is recorded in exploration expenditures.

During the year ended June 30, 2023, the Company entered into a short-term loan agreement and advanced $34,375 to a director and officer of the Company. The loan advanced to the related party is unsecured, non-interest bearing and due on demand. During the year ended June 30, 2024, $17,875 of the loan was repaid. The balance due as of June 30, 2024 was $16,500.

(Expressed in Canadian Dollars)

The Company does not have offices in British Columbia, but rather is a party to an Administrative Services Agreement, whereby it has contracted administrative, corporate and financial reporting services with Sentinel Corporate Services Inc. (“Sentinel”), a company controlled by a close family member of a director appointed in February, 2024, which are included in professional fees. Sentinel has a continuing service agreement with the Company.

During the year ended June 30, 2024, the Company incurred expenses with Sentinel for administration, corporate, and financial reporting services of $55,125 since the date it became a related party. Sentinel was not a related party during the year ended June 30, 2023.

9. INCOME TAX

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

	June 30, 2024	June 30, 2023
Loss for the year	$ (4,247,522)	$ (7,278,915)
Expected income tax (recovery)	(1,147,000)	(1,965,000)
Change in statutory, foreign tax, foreign exchange rates and other rates	42,000	18,000
Permanent differences	15,000	322,000
Share issuance costs	-	-
Dissolution of subsidiary	-	41,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(165,000)	(36,000)
Change in unrecognized deductible temporary differences	1,255,000	1,620,000
Total income tax expense (recovery)	-	-
Current income tax	$ -	$ -
Deferred tax recovery	$ -	$ -

The significant components of the Company’s deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	June 30, 2024	June 30, 2023
Deferred tax assets (liabilities)		
Exploration and evaluation assets	$ 1,939,000	$ 1,173,000
Property and equipment	1,000	1,000
Share issuance costs	77,000	110,000
Non-capital losses available for future periods	1,435,000	875,000
	3,452,000	2,159,000
Unrecognizable deferred tax assets	(3,452,000)	(2,159,000)
Net deferred tax assets	-	-

(Expressed in Canadian Dollars)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2024	Expiry Date Range	2023	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	7,762,000	No expiry date	4,708,000	No expiry date
Property and equipment	5,000	No expiry date	5,000	No expiry date
Share issuance costs	284,000	2044 to 2047	406,000	2044 to 2047
Non-capital losses available for future periods	5,325,000	2032 to 2043	3,245,000	2032 to 2043
Canada	5,306,000	2032 to 2043	3,241,000	2032 to 2043
USA	19,000	Indefinitely	4,000	Indefinitely

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of equity comprised of share capital, reserves, and deficit. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management during the year ended June 30, 2024. The Company is not subject to externally imposed capital requirements. The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other demand deposits, all held with major financial institutions.

11. FINANCIAL INSTRUMENTS

Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	June 30, 2024	June 30, 2023
Financial assets:		
Fair value through profit or loss		
Cash and cash equivalents	$ 1,476,633	$ 5,231,692
Amortized cost		
Loan advanced to related party	16,500	34,375
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 120,765	$ 192,545

The fair value of cash and cash equivalents are carried at fair value in accordance with level 1 of the fair value hierarchy. The fair value of the loan advanced to a related party and accounts payables and accrued liabilities approximate their carrying values due to their short-term maturity.

(Expressed in Canadian Dollars)

Financial risk factors

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. The Company's cash and cash equivalents are held in a large Canadian financial institution. The Company has not experienced nor is exposed to any significant credit losses. As a result, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. As at June 30, 2024, the Company had a cash and cash equivalents balance of $1,476,633 (June 30, 2023 – $5,231,692) to settle current liabilities of $120,765 (June 30, 2023 – $192,545). Management believes that the Company has sufficient liquidity to satisfy obligations as they come due and has assessed liquidity risk as low.

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 interest rate risk.

Foreign exchange risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as some of its mining and exploration operations are transacted in currencies other than the functional currency of the Company.

Since the Company's reporting currency is Canadian dollars and the Company and its subsidiaries have significant operations in the United States, the Company is exposed to foreign currency fluctuations on its reported amounts of assets and liabilities.

As at June 30, 2024 and June 30, 2023, the Company had the following US dollar denominated assets and liabilities:

		June 30, 2024		**June 30, 2023**
		US Dollars		US Dollars
Cash and cash equivalents	$	131	$	6,194
Prepaids		3,934		117,827
Accounts payable		(1,442)		(71,389)
	$	**2,623**	**$**	**52,632**

As at June 30, 2024, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net loss by $551 (June 30, 2023 – $5,263).

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

Operating segment

The Company's operates in a single reportable operating segment, being the acquisition of mineral properties and exploration for metals in North America.

Geographic segment

The Company's geographic information as at June 30, 2024 and June 30, 2023 are as follows:

	June 30, 2024		
	Canada	**USA**	**Total**
Assets			
Exploration and evaluation assets	$ -	$ 22,563,025	$ 22,563,025
Other assets	1,605,441	-	1,605,441
	$ 1,605,441	**$ 22,563,025**	**$ 24,168,466**

	June 30, 2023		
	Canada	**USA**	**Total**
Assets			
Exploration and evaluation assets	$ -	$ 21,378,713	$ 21,378,713
Other assets	5,837,363	-	5,837,363
	$ 5,837,363	**$ 21,378,713**	**$ 27,216,076**

13. SUBSEQUENT EVENT

On August 9, 2024, 75,000 common shares were issued pursuant to the option agreement on the Garfield Hills Property.