GOLDEN SHIELD RESOURCES INC.

Consolidated Financial Statements

For the years ended July 31, 2023 and 2022

(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GOLDEN SHIELD RESOURCES INC.

Opinion

We have audited the consolidated financial statements of Golden Shield Resources Inc and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at July 31, 2023 and 2022;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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 *Auditors' 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 audits 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 audits 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 consolidated financial statements, which indicates that the Company has incurred losses since inception and has an accumulated deficit of $17,826,599 as at July 31, 2023. 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 consolidated financial statements for the year ended 2023. 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.

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

Other Information

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 auditors' 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, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 period and are therefore the key audit matters. We describe these matters in our auditors' 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 auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
November 22, 2023

GOLDEN SHIELD RESOURCES INC.
Consolidated Statements of Financial Position
As at July 31, 2023 and 2022
(Expressed in Canadian dollars)

	Note	**July 31, 2023**	July 31, 2022
		$	$
ASSETS			
Current			
Cash		**3,474,363**	5,712,597
GST receivable		**59,323**	9,202
Current portion of prepaid expenses	6	**138,491**	421,136
Securities held for trading	7	**15,000**	22,500
		3,687,177	6,165,435
Prepaid expenses	6	**709,160**	-
Exploration and evaluation assets	8	**1,538,739**	2,288,739
Total assets		**5,935,076**	8,454,174
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**183,305**	234,309
Total liabilities		**183,305**	234,309
SHAREHOLDERS' EQUITY			
Share capital	9	**19,500,324**	15,534,073
Reserves		**4,078,046**	2,779,080
Deficit		**(17,826,599)**	(10,093,288)
Total shareholders' equity		**5,751,771**	8,219,865
Total liabilities and shareholders' equity		**5,935,076**	8,454,174

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

/s/ "Leo Hathaway"
Director

/s/ "Hilbert Shields"
Director

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

GOLDEN SHIELD RESOURCES INC.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended July 31, 2023 and 2022
(Expressed in Canadian dollars, except number of shares)

	Note	Years ended July 31, 2023	2022
		$	$
Operating expenses			
Bank fees		**5,433**	5,620
Consulting fees	10	**178,450**	135,394
Director and management fees	10	**88,629**	76,001
Exploration and evaluation expenditures	8,10	**4,039,890**	4,229,660
Filing fees		**59,140**	102,794
General and administrative		**206,587**	226,495
Insurance		**101,635**	145,924
Marketing		**384,325**	494,368
Professional fees	10	**279,943**	375,689
Share-based compensation	10	**1,182,258**	716,152
		(6,526,290)	(6,508,097)
Other expenses			
Change in fair value of securities held for trading	7	**(7,500)**	(7,500)
Foreign exchange loss		**(80,075)**	(11,293)
Impairment of exploration and evaluation assets	8	**(1,208,769)**	(122,201)
Listing expense	5	**-**	(2,922,312)
Net loss and comprehensive loss		**(7,822,634)**	(9,571,403)
Net loss per share:			
Basic and diluted		**(0.16)**	(0.39)
Weighted average number of shares:			
Basic and diluted		**49,645,158**	24,479,031

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

GOLDEN SHIELD RESOURCES INC.
Consolidated Statements of Cash Flows
For the years ended July 31, 2023 and 2022
(Expressed in Canadian dollars)

	Years ended July 31,	
	2023	2022
	$	$
Operating activities:		
Net loss for the year	**(7,822,634)**	(9,571,403)
Items not affecting cash:		
Share-based compensation	**1,182,258**	716,152
Change in fair value of securities held for trading	**7,500**	7,500
Impairment of exploration and evaluation assets	**1,208,769**	122,201
Listing expense	**-**	2,922,312
Changes in non-cash working capital:		
GST/HST receivable	**(50,121)**	4,686
Prepaid expenses	**(426,515)**	(421,136)
Accounts payable and accrued liabilities	**(51,004)**	47,574
Net cash used in operating activities	**(5,951,747)**	(6,172,114)
Investing activities:		
Fish Creek Project option payments	**(458,769)**	-
Acquisition of Romanex	**-**	(516,374)
Acquisition of the Arakaka Project	**-**	(700,000)
Cash acquired in the Transaction	**-**	12,326
Net cash used in investing activities	**(458,769)**	(1,204,048)
Financing activities:		
Proceeds from the issuance of units	**4,600,000**	12,978,349
Share issuance costs	**(427,718)**	(453,452)
Net cash provided by financing activities	**4,172,282**	12,524,897
Net change in cash	**(2,238,234)**	5,148,735
Cash, beginning of year	**5,712,597**	563,862
Cash, end of year	**3,474,363**	5,712,597
Supplemental cash flow information:		
Common shares issued for the acquisition of exploration and evaluation assets	**-**	867,845
Broker's warrants issued in private placement	**206,031**	169,015
Cash interest paid	**-**	-
Cash income taxes paid	**-**	-

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

GOLDEN SHIELD RESOURCES INC.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended July 31, 2023 and 2022
(Expressed in Canadian dollars, except number of shares)

	Common shares	**Share capital**	**Reserves**	**Deficit**	**Total shareholders' equity**
	#	$	$	$	$
Balance, July 31, 2021	14,821,875	1,012,250	-	(521,885)	490,365
Units issued in private placement	22,494,771	11,084,436	1,893,913	-	12,978,349
Share issuance costs	-	(622,467)	169,015	-	(453,452)
Shares issued in the Transaction	4,500,000	3,192,009	-	-	3,192,009
Shares issued for the Romanex Option Agreement	1,212,074	867,845	-	-	867,845
Share-based compensation	-	-	716,152	-	716,152
Net loss and comprehensive loss for the year	-	-	-	(9,571,403)	(9,571,403)
Balance, July 31, 2022	43,028,720	15,534,073	2,779,080	(10,093,288)	8,219,865
Units issued in private placement	23,000,000	4,600,000	-	-	4,600,000
Share issuance costs	-	(633,749)	206,031	-	(427,718)
Share-based compensation	-	-	1,182,258	-	1,182,258
Reversal of vested shares	-	-	(89,323)	89,323	-
Net loss and comprehensive loss for the year	-	-	-	(7,822,634)	(7,822,634)
Balance, July 31, 2023	**66,028,720**	**19,500,324**	**4,078,046**	**(17,826,599)**	**5,751,771**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of operations

Golden Shield Resources Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on January 29, 2018. The Company completed a reverse takeover transaction on February 15, 2022, as further described below. The Company's head office and principal address is Suite 700, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company is in the business of acquiring, exploring, and developing mineral properties, primarily those containing gold and associated base and precious metals. The Company will be required to obtain additional financing to explore and develop its future resource properties. The Company is listed on the Canadian Securities Exchange (the "CSE") under the stock symbol "GSRI".

b) Reverse takeover

Virgin Gold Corp. ("Virgin Gold") was incorporated under the Business Corporations Act (British Columbia) on November 27, 2020.

On April 19, 2021, the Company entered into a definitive agreement with Virgin Gold, pursuant to which the Company will acquire all of the issued and outstanding shares of Virgin Gold (the "Transaction"). The Transaction was completed by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia), whereby Virgin Gold amalgamated with 1294320 B.C. Ltd., a wholly owned subsidiary of the Company (the "Amalgamation").

Pursuant to the Transaction on February 15, 2022, Virgin Gold completed the Amalgamation with 1294320 B.C. Ltd. under the Business Corporations Act (British Columbia) to form 1348135 B.C. Ltd., a wholly owned subsidiary of the Company. In connection with the Transaction, the Company changed its name to "Golden Shield Resources Inc." As part of the Amalgamation, shareholders of Virgin Gold exchanged their shares of Golden Shield Resources Inc. on a one-to-one basis, which resulted in the reverse takeover of the Company.

For accounting purposes, Virgin Gold is treated as the accounting acquirer (legal subsidiary) in these consolidated financial statements for the year ended July 31, 2022. As Virgin Gold was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying values. The Company's results of operations are included from the date of the Transaction on February 15, 2022.

Effective February 15, 2022, any unexercised options and warrants of the Company were cancelled. Prior to closing of the Transaction, the Company consolidated its common shares on a two for one basis. As a result, all information relating to basic and diluted loss per share, issued, outstanding common shares, share purchase warrants, broker warrants, stock options, and per share amounts in these consolidated financial statements have been restated retrospectively to reflect the share consolidation.

c) Going concern

These consolidated financial statements for the years ended July 31, 2023 and 2022 (the "financial statements") have been prepared based on accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. The Company has losses since inception and had an accumulated deficit of $17,826,599 as at July 31, 2023 (July 31, 2022 - $10,093,288). The Company may require additional financing, either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative costs and to continue to explore and develop its exploration and evaluation assets. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern is in significant doubt. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and these adjustments may be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on November 22, 2023.

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

b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Company's and its subsidiaries' functional and presentation currency. The functional currency is the currency of the primary economic environment in which an entity operates. References to "CAD" or "$" are to Canadian dollars and references to "US$" are to United States dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions and balances are eliminated on consolidation.

A summary of the Company's subsidiaries included in these financial statements as at July 31, 2023 and 2022 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
Aurous Guyana Inc.	Guyana	100%	CAD	Mining company
Manticore Resources Inc.	Guyana	100%	CAD	Mining company
Romanex Guyana Exploration Limited ("Romanex")	Guyana	100%	CAD	Mining company
StrataGold Guyana Inc.	Guyana	100%	CAD	Mining company

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash includes cash on hand and deposits held on call with banks.

b) Financial instruments

(i) 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 and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or FVTPL. A financial asset is measured at amortized cost if it meets the conditions that: i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement

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

Financial assets at FVTPL

Financial assets measured at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with changes in fair value therein, recognized in profit or loss. The Company classifies securities held for trading in this category.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method, net of any impairment allowance. The Company classifies cash in this category.

Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

(ii) Financial liabilities

Financial liabilities are classified as and measured at amortized cost. The Company's financial liabilities include accounts payable and accrued liabilities.

Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

c) Exploration and evaluation assets and exploration expenditures

Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized. Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Equity instruments

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

e) Share issuance costs

Professional, consulting, regulatory, and other costs directly attributable to equity financing transactions are recorded as share issuance costs when the financing transactions are completed if the completion of the transaction is considered likely. Otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

f) Units and share purchase warrants

Proceeds received on the issuance of units consisting of common shares and share purchase warrants are allocated first to common shares based on the market trading price of the common share at the time the units are issued, and any excess is allocated to share purchase warrants. If the proceeds from the offering are less than or equal to the estimated fair market value of the common shares issued, no proceeds are allocated to the share purchase warrants.

Upon exercise of share purchase warrants, amounts previously recognized in reserves are allocated to share capital together with the proceeds from exercise. Expired and unexercised share purchase warrants are allocated to deficit.

g) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares and escrow shares outstanding when the effect is anti-dilutive.

h) Share-based compensation

The Company records all share-based compensation at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized through profit or loss over the vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received unless the fair value is not reliably measurable, in which case the transaction is measured with reference to the fair value of the equity instruments issued.

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to option reserve. Consideration received on the exercise of stock options is recorded as share capital and the related amount originally recorded in option reserve is transferred to share capital. For those unexercised options that expire, the recorded value is transferred to deficit. For those unexercised options that are cancelled or forfeited, the recorded value remains in option reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Income taxes

Provision for income taxes consists of current and deferred tax expense.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable or recoverable with regards to previous years.

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

j) Foreign currency translation

Foreign currency transactions are translated into the 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 period in which they arise.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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. Material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern (Note 1(c)).

The indicators of impairment of exploration and evaluation assets

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.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the resource properties, current and future metal prices, and market sentiment are all factors considered by the Company.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

(Expressed in Canadian dollars, except where noted)

4. USE OF ESTIMATES AND JUDGMENTS (continued)

Valuation of share-based compensation and broker warrants

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation and broker warrants. Option pricing models require the input of subjective assumptions. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Accounting for reverse takeovers

The identification of the acquirer in a reverse takeover transaction requires significant judgment assessing the relative voting rights, composition of the governing body, and composition of senior management of the combined entity, amongst other factors. The Company bases its estimates and judgments on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations.

The determination of the Company's and its subsidiaries' functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events, and conditions relevant to each entity.

Purchase price allocations

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangible assets acquired as part of an acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

5. REVERSE TAKEOVER

On February 15, 2022, the Company closed the Transaction as outlined in Note 1(b).

In accordance with the Transaction, all 14,821,875 pre-concurrent financing outstanding common shares of Virgin Gold were exchanged for 14,821,875 common shares of the Company. As a result, the shareholders of Virgin Gold acquired control of the Company, thereby constituting a reverse takeover. The Transaction is considered a purchase of the Company's net assets by the shareholders of Virgin Gold. The Company did not qualify as a business according to the definition in IFRS 3 *Business Combinations* as the significant processes and outputs that together constitute a business did not exist in Goldblock Capital Inc. at the time of acquisition. Therefore, the Transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based Payment*. Accordingly, no goodwill was recorded with respect to the Transaction. In the Transaction, the fair value of the 4,500,000 common shares of Virgin Gold was determined to be approximately $0.709 per common share, which was the share price of the concurrent private placements (Note 9(b)).

A summary of the Company's consideration paid and the net assets acquired as at February 15, 2022 is as follows:

	$
Purchase price:	
Fair value of the Company common shares (4,500,000 common shares at approximately $0.709 per share)	3,192,009
	3,192,009
Net assets acquired:	
Cash	12,326
GST/HST receivable	9,202
Securities held for trading	30,000
Deposit paid	175,000
Exploration and evaluation assets	122,201
Accounts payable and accrued liabilities	(73,032)
Due to related parties	(6,000)
	269,697
Listing expense	**2,922,312**

(Expressed in Canadian dollars, except where noted)

5. REVERSE TAKEOVER (continued)

As of February 23, 2022, concurrent to completion of the Transaction, the Company had an additional 7,586,250 escrow common shares. These escrowed shares may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities (Note 9(c)). The deposit paid for $175,000 was eliminated upon consolidation.

During the year ended July 31, 2022, the Company recognized a listing expense of $2,922,312 in the statements of loss and comprehensive loss, being the consideration paid in excess of the fair value of net assets acquired.

6. PREPAID EXPENSES

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

	July 31, 2023	July 31, 2022
	$	$
Consulting fees	**50,000**	-
Exploration and evaluation expenditures	**746,735**	263,084
Filing fees	**11,687**	-
General and administrative	**13,125**	31,012
Insurance	**22,959**	-
Marketing	**3,145**	127,040
	847,651	421,136
Current portion	**138,491**	421,136
Long term portion	**709,160**	-

7. SECURITIES HELD FOR TRADING

Securities held for trading are investments that the Company measures at fair value though profit or loss and that are revalued at the end of each reporting period. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. The fair value of investments in public companies is referenced to their quoted market price.

Securities held for trading consist of common shares of Bullet Exploration Inc. that were received pursuant to an option agreement with Bullet Exploration Inc. during the year ended July 31, 2022 and acquired by the Company through the Transaction (Note 5). Bullet Exploration Inc. is in the business of acquiring, exploring, and developing mineral properties.

The Company owns less than 10% interest in the investee as at July 31, 2023 and 2022 and does not have an appointed representative as an officer or board of director.

A summary of the Company's investment in securities held for trading is as follows:

		July 31, 2023		July 31, 2022
	Number of shares	**Fair value**	Number of shares	Fair value
	#	**$**	#	$
Bullet Exploration Inc.	**500,000**	**15,000**	500,000	22,500

During the year ended July 31, 2023, the Company recorded a loss in change in fair value of securities held for trading of $7,500 (2022 - $7,500).

(Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION ASSETS

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

	Marudi Project	Arakaka Project	Fish Creek Project	Copper Canyon Property	Total
	$	$	$	$	$
Balance, July 31, 2021	154,520	50,000	-	-	204,520
Acquisition costs	1,384,219	700,000	-	122,201	2,206,420
Impairment	-	-	-	(122,201)	(122,201)
Balance, July 31, 2022	1,538,739	750,000	-	-	2,288,739
Option payments	-	-	458,769	-	458,769
Impairment	-	(750,000)	(458,769)	-	(1,208,769)
Balance, July 31, 2023	**1,538,739**	**-**	**-**	**-**	**1,538,739**

A summary of the Company's exploration and evaluation expenditures for the year ended July 31, 2023 is as follows:

	Marudi Project	Arakaka Project	Total
	$	$	$
Assaying	231,903	-	231,903
Camp costs	1,042,730	58,739	1,101,469
Drilling	645,070	38	645,108
General and administrative	702,487	70,922	773,409
Geological consulting	1,212,856	12,191	1,225,047
Property expenses	23,065	39,889	62,954
	3,858,111	**181,779**	**4,039,890**

A summary of the Company's exploration and evaluation expenditures for the year ended July 31, 2022 is as follows:

	Marudi Project	Arakaka Project	Fish Creek Project	Sardine Hill Project	Total
	$	$	$	$	$
Assaying	28,277	884	-	-	29,161
Camp costs	838,231	62,030	2,005	944	903,210
Drilling	1,266,086	6,279	778	366	1,273,509
General and administrative	500,395	24,620	3,052	1,437	529,504
Geological consulting	892,420	69,896	25,579	12,043	999,938
Project management	165,218	10,479	1,299	612	177,608
Property expenses	227,036	89,694	-	-	316,730
	3,917,663	**263,882**	**32,713**	**15,402**	**4,229,660**

a) Marudi Project

The Marudi Project is located in the Rupununi Mining District in southern Guyana. The project comprises Mining License ML1/2009. The mineral rights are in good standing.

During the year ended July 31, 2022, the Company paid $1,384,219 acquisition cost for the Marudi Project comprised of cash of $516,374 and 1,212,074 common shares at a price of $0.716 to the previous shareholders of Romanex for a total fair value of $867,845.

8. EXPLORATION AND EVALUATION ASSETS (continued)

b) Arakaka Project

The Arakaka Project is situated in the Barama-Waimi District of northwestern Guyana. The project comprises 137 tenements. The mineral rights are in good standing.

On May 26, 2021, the Company signed an agreement to acquire StrataGold Guyana Inc. and Manticore Resources Inc., which are 100% owned entities of Alicanto Minerals Limited ("Alicanto"). These two entities make up the Arakaka Gold Project in Guyana ("Arakaka Project").

In consideration for the purchase of the Arakaka Project the Company has agreed to the following terms:

- To pay $50,000 in cash within five business days of execution of the agreement (paid on June 6, 2021);
- To pay $700,000 in cash on completion of the listing capital raise (paid on February 15, 2022); and
- To issue common shares of the Company with a value of $1,000,000 upon the satisfaction of every resource target set out in the table below (which amounts to the sum of any resources issued by the *Canadian Securities Administrator ("CSA") National Instrument* 43-101) delineated on the tenements, the designated area or a combination of the tenements and the designated area in the two years (the "Deferred Consideration Shares").

A summary of the Company's Deferred Consideration Shares that will be issued upon achieving the resource targets is as follows:

Resources targets in millions of ounces of gold ("Moz Au")	**Equivalent share value**
	$
0.50 Moz Au	1,000,000
0.75 Moz Au	1,000,000
1.00 Moz Au	1,000,000
2.00 Moz Au	1,000,000
	4,000,000

- The Deferred Consideration Shares will be issued by the Company to Alicanto within 60 days of the date that the Company announces the relevant resource to the market;
- The Deferred Consideration Shares will be issued at the price equal to the volume weighted average price of the listed entity's common shares as traded on the CSE in the ordinary course of trade over the 30 trading days following the release of a new resource estimate to the market by the listed entity; and
- In the event that there is a consolidation or share split of listed entity's shares prior to completion, the number of Deferred Consideration Shares will be adjusted by the same ratio.

During the year ended July 31, 2023, the Arakaka Project was fully impaired due to management focusing on Marudi Project. As a result, the Company recorded $750,000 as an impairment of exploration and evaluation assets in accordance with level 3 of the fair value hierarchy.

c) Fish Creek Project

On December 29, 2020, the Company and its subsidiary Aurous Guyana Inc. ("AGI") entered into a joint venture and option agreement with Guiana Shield Resources Inc. ("GSR") ("Fish Creek Agreement"), a related party private company controlled by a director of the Company with regards to the Fish Creek prospecting license, which is owned and controlled by GSR. There are no liens, mortgages, or encumbrances on or conflicting claims of ownership or right to ownership of the property or the mineral rights. The mineral rights are in good standing.

The Company, through its subsidiary AGI, is responsible for paying all rentals or other fees that become due during the term of the agreement to keep the mineral rights in good standing with the Guyana Geology and Mines Commission. The term of the agreement is for five years with possible extensions.

(Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION ASSETS (continued)

c) Fish Creek Project (continued)

If the Company provides payments as indicated in the table below, the term of the agreement will be automatically extended for an additional year:

Date (to be paid on or before the anniversary of the initial payment date)	Payment
	US$
Within 6 months of December 29, 2020 (paid $192,360)	150,000
First anniversary (paid $266,409)	200,000
Second anniversary	200,000
Third anniversary	200,000
Fourth anniversary	300,000
	1,050,000

During the year ended July 31, 2022, the Company and GSR agreed to defer the payments to a mutually agreeable schedule. During the year ended July 31, 2023, the Company made payments in total of $458,769 (US$350,000) to GSR in connection to the Fish Creek Agreement.

During the year ended July 31, 2023, the Fish Creek Project was fully impaired due management focusing on Marudi Project. Subsequent exploration and evaluation expenditure recognized in profit or loss. As a result, the Company recorded $458,769 as an impairment of exploration and evaluation assets in accordance with level 3 of the fair value hierarchy.

d) Sardine Hill Project

On May 24, 2021, the Company, through its subsidiary AGI, signed an exclusive right and option agreement ("Letter of Agreement") with the property owners of the Mariwa property ("Sardine Hill Project"). AGI has paid an exclusivity payment of $1 (US$1) to begin the due diligence process and will enter into a definitive agreement with the property owners within 60 days of the letter of agreement. During the year ended July 31, 2022, the Company decided not to pursue this project any further.

e) Copper Canyon Property

On April 25, 2018, the Company entered into an option agreement to acquire a 100% interest in the Copper Canyon Property, located in the Nicola Mining Division of British Columbia.

During the year ended July 31, 2022, the Company decided to discontinue further exploration of the Copper Canyon Property. It was determined that the value in use of the property was $nil, and the Company impaired all of the costs incurred on the property in the amount of $122,201 in accordance with level 3 of the fair value hierarchy.

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the year ended July 31, 2023, the Company completed the following transactions:

- On April 18, 2023, the Company completed a private placement for gross proceeds of $4,600,000 through the issuance of 23,000,000 units at $0.20 per unit. Each unit consists of one common share and one half of a share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share until April 18, 2025, at an exercise price of $0.30 until April 18, 2024 and thereafter the exercise price will increase to $0.40 for the remaining term of the share purchase warrants. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the share purchase warrants. In connection with the private placement, the Company paid cash finder's fees of $295,528 and 1,043,863 broker warrants to the finders. Each broker warrant allows the holder to acquire one common share at an exercise price of $0.30 per share until April 18, 2025 (Note 9(e)). In addition, the Company incurred consulting fees of $60,000, professional fees of $67,077, and filing fees of $5,113 in connection with the private placement, which were classified as share issuance costs.

9. SHARE CAPITAL (continued)

b) Issued and outstanding (continued)

During the year ended July 31, 2022, the Company completed the following transactions:

- On September 16, 2021, the Company completed a private placement for gross proceeds of $4,106,423 through the issuance of 4,831,086 units at $0.85 per unit. Each unit consists of one common share and one half of a share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share until September 16, 2023 at a price of $1.35. Gross proceeds were allocated between share capital and reserves using the residual value method. As a result, $3,393,833 was allocated to share capital and $712,590 residual value allocated to the share purchase warrants.
- On December 23, 2021, the Company completed a private placement for gross proceeds of $2,583,476 through the issuance of 3,039,383 units at $0.85 per unit. Each unit consists of one common share and one half of a share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share until December 23, 2023 at a price of $1.35. Gross proceeds were allocated between share capital and reserves using the residual value method. As a result, $2,133,368 was allocated to share capital and $450,108 residual value allocated to the warrants.
- On February 15, 2022, as consideration in the Transaction, the Company issued 4,500,000 common shares with a fair value of approximately $0.709 per share resulting in an increase to share capital of $3,192,009 (Note 5).
- On March 22, 2022, pursuant to the Romanex Option Agreement, the Company issued 1,212,074 at a price of $0.72 per common share to the shareholders of Romanex for a total fair value of $867,845 (Note 8(a)).
- On July 5, 2022, the Company completed a private placement for gross proceeds of $6,288,450 through the issuance of 14,624,302 units at $0.43 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one common share until July 5, 2024 at a price of $0.60. Gross proceeds were allocated between share capital and reserves using the residual value method. As a result, $5,557,235 was allocated to share capital and $731,215 residual value allocated to the share purchase warrants. In connection with the issuance, the Company paid cash share issuance costs of $453,452 and issued 691,412 broker warrants with a fair value of $169,015. Each broker warrant allows the holder to acquire 691,412 common shares at an exercise price of $0.43 per share until July 5, 2024 (Note 9(e)).

c) Escrowed shares

Prior to the Transaction (Note 5), the Company had 1,136,869 escrowed shares, all of which were released by March 3, 2023.

On February 18, 2022, the Company and certain shareholders completed an escrow agreement (the “Escrow Agreement”) resulting in 7,586,250 common shares (the “Escrowed Shares”) being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Shares were released from escrow on the Escrow Agreement date (the “Initial Release”) and an additional 15% is to be released every six months thereafter following the Initial Release. These Escrowed Shares may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities. On February 18, 2023, an additional 1,137,938 shares were released from escrow. As at July 31, 2023, 4,171,369 shares have been released from escrow with 3,414,881 (July 31, 2022 - 7,585,538) Escrowed Shares remaining.

d) Share purchase warrants

During the year ended July 31, 2023, the Company completed the following share purchase warrant transaction:

- On April 18, 2023, in connection with the issuance of units, 11,500,000 share purchase warrants were issued. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the share purchase warrants. Each share purchase warrant entitles the holder thereof to purchase one common share until April 18, 2025, at an exercise price of $0.30 until April 18, 2024 and thereafter the exercise price will increase to $0.40 for the remaining term of the warrants.

During the year ended July 31, 2022, the Company completed the following share purchase warrant transactions:

- On September 16, 2021, in connection with the issuance of units, 2,415,543 share purchase warrants were issued with a fair value of $712,590.
- On December 23, 2021, in connection with the issuance of units, 1,519,692 share purchase warrants were issued with a fair value of $450,108.
- On July 5, 2022, in connection with the issuance of units, 14,624,302 share purchase warrants were issued with a fair value of $731,215.

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

d) Share purchase warrants (continued)

A summary of the Company's assumptions used in the Black-Scholes option pricing model to determine the fair value of the share purchase warrants issued are as follows:

	July 5, 2022	December 23, 2021	September 16, 2021
Share price	$0.38	$0.70	$0.70
Exercise price	$0.43	$1.35	$1.35
Expected life in years	2.00	2.00	2.00
Expected volatility	133.00%	110.00%	110.00%
Risk-free rate	3.00%	0.98%	0.44%
Dividend yield	0.00%	0.00%	0.00%

The volatility is based on historical observations of comparable companies. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the warrants' expected life. The Company has not paid and does not anticipate paying dividends on its common shares.

A summary of the Company's share purchase warrants activity is as follows:

	Warrants outstanding	**Weighted average exercise price**
	#	$
Balance, July 31, 2021	-	-
Issued	18,559,537	$0.76
Balance, July 31, 2022	18,559,537	$0.76
Issued	11,500,000	$0.30
Balance, July 31, 2023	**30,059,537**	**$0.58**

A summary of the Company's share purchase warrants outstanding and exercisable as at July 31, 2023 is as follows:

Expiry date	**Warrants outstanding**	**Weighted average exercise price**	**Weighted average remaining life**
	#	$	years
September 16, 2023	2,415,543	1.35	0.13
December 23, 2023	1,519,692	1.35	0.40
July 5, 2024	14,624,302	0.60	0.93
April 18, 2025	11,500,000	0.30	1.72
	30,059,537	**0.58**	**1.14**

e) Broker warrants

On April 18, 2023, in connection with the issuance of units, the Company issued 1,043,863 broker warrants with a fair value of $206,031. Each broker warrant allows the holder to acquire one common share at an exercise price of $0.30 per share until April 18, 2025 and increase the exercise price of $0.40 until April 18, 2025.

On July 5, 2022, in connection with the issuance of units, the Company issued 691,412 broker warrants with a fair value of $169,015. Each broker warrant allows the holder to acquire one common share at an exercise price of $0.43 per share until July 5, 2023.

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

e) Broker warrants (continued)

A summary of the Company's assumptions used in the Black-Scholes option pricing model to determine the fair value of the broker warrants issued are as follows:

	April 18, 2023	July 5, 2022
Share price	\$0.26	\$0.38
Exercise price	\$0.30	\$0.43
Expected life (years)	2.00	2.00
Expected volatility	168.92%	133.00%
Risk-free rate	3.54%	3.00%
Dividend yield	0.00%	0.00%

The volatility is based on historical observations of comparable companies. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the warrants' expected life. The Company has not paid and does not anticipate paying dividends on its common shares.

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

	Warrants outstanding	**Weighted average exercise price**
	#	\$
Balance, July 31, 2021	-	-
Issued	691,412	\$0.43
Balance, July 31, 2022	691,412	\$0.43
Issued	1,043,863	\$0.30
Balance, July 31, 2023	**1,735,275**	**\$0.35**

A summary of the Company's broker warrants outstanding as at July 31, 2023 is as follows:

Expiry date	**Warrants outstanding**	**Weighted average exercise price**	**Weighted average remaining life**
	#	\$	years
July 5, 2024	691,412	0.43	0.93
April 18, 2025	1,043,863	0.30	1.72
	1,735,275	**0.35**	**1.40**

f) Stock options

The Company has a rolling stock option plan (the "Plan") whereby a maximum of 10% of the issued common shares will be reserved for issuance under the Plan. Options granted under the Plan vest immediately or over a period at the discretion of the Board of Directors.

Under the Plan, the number of shares reserved for issuance to any optionee will not exceed 5% of the then issued and outstanding shares unless the Company has obtained shareholder approval. The options are non-assignable and non-transferable and will be exercisable for a period of up to 10 years from the date of grant. The exercise price of an option will be set by the Board of Directors and cannot be less than the discounted market price, as defined in policies of the CSE and other applicable regulatory authorities.

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

f) Stock options (continued)

During the year ended July 31, 2023, the Company completed the following stock option transactions:

- On April 19, 2023, the Company granted 1,875,000 incentive stock options to certain directors, officers, and consultants of the Company. The stock options are exercisable at a price of $0.26 per share until April 19, 2028 and will vest in four equal tranches with the first 25% on the grant date and 25% every twelve months thereafter, with a total fair value of $486,415.
- On April 19, 2023, the Company granted 375,000 incentive stock options to a consultant of the Company. The stock options are exercisable at a price of $0.26 per share April 19, 2028 and will fully vest on August 20, 2023, with a total fair value of $97,283.
- On January 27, 2023, the Company granted 779,000 incentive stock options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.27 per share until January 27, 2028 and will vest in four equal tranches with the first 25% on the grant date and 25% every twelve months thereafter, with a total fair value of $183,003.
- On August 11, 2022, the Company granted 1,380,000 incentive stock options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.35 per share until August 11, 2027 and will vest in four equal tranches with the first 25% on the grant date and 25% every twelve months thereafter, with a total fair value of $398,666.
- On August 11, 2022, the Company granted 100,000 incentive stock options to a consultant of the Company. The options are exercisable at a price of $0.35 per share, until August 11, 2027 and will vest in four equal tranches with the first 25% on the grant date and 25% every twelve months thereafter, with a total fair value of $28,889.
- During the year ended July 31, 2023, 675,000 stock options with a weighted average exercise price of $0.68 were forfeited. These options were not fully vested at the time of forfeiture and recorded a reversal of the share-based compensation associated for a fair value of $208,123.

During the year ended July 31, 2022, the Company completed the following stock option transactions:

- On February 15, 2022, the Company granted 2,525,000 incentive stock options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.85 per share until February 15, 2027 and will vest in equal tranches of 25% on the date, which is six, twelve, eighteen, and twenty-four months after the grant date, with a total fair value of $1,500,013.

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

	Number of options outstanding	**Weighted average exercise price**
	#	$
Balance, July 31, 2021	-	-
Granted	2,525,000	0.85
Balance, July 31, 2022	2,525,000	0.85
Granted	4,509,000	0.27
Forfeited	(675,000)	0.68
Balance, July 31, 2023	**6,359,000**	**0.47**

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

Expiry date	**Number of options outstanding**	**Number of options exercisable**	**Weighted average exercise price**	**Weighted average remaining life**
	#	#	$	years
February 15, 2027	2,050,000	1,325,000	0.85	3.55
August 11, 2027	1,280,000	425,000	0.35	4.03
January 27, 2028	779,000	194,750	0.27	4.50
April 19, 2028	2,250,000	468,750	0.26	4.72
	6,359,000	**2,413,500**	**0.47**	**4.18**

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

f) Stock options (continued)

During the year ended July 31, 2023, the Company recognized share-based compensation of $1,182,258 (2022 - $716,152), relating to the vesting of stock options.

A summary of the Company's assumptions used in the Black-Scholes option pricing model to determine the fair value of the stock options granted is as follows:

	April 19, 2023	January 27, 2023	August 11, 2022	February 15, 2022
Share price	$0.29	$0.265	$0.35	$0.75
Exercise price	$0.26	$0.265	$0.35	$0.85
Expected life (years)	5.00	5.00	5.00	5.00
Expected volatility	139.00%	138.00%	118.00%	114.00%
Risk-free rate	3.24%	3.01%	2.94%	1.82%
Dividend yield	0.00%	0.00%	0.00%	0.00%

The volatility is based on historical observations of comparable companies. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company has not paid and does not anticipate paying dividends on its common shares.

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having 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 Company's Board of Directors and Corporate Officers.

The Company and its subsidiary, AGI, are parties to a joint venture and option agreement in connection with the Fish Creek Project with GSR, a related party being controlled by a director of the Company. During the year ended July 31, 2023, the Company paid $458,769 in option payments relating to Fish Creek Project (2022 - $nil) (Note 8(c)).

As at July 31, 2023, there was $1,240 (July 31, 2022 - $105,033) due to related parties included in accounts payable and accrued liabilities. The amounts due are unsecured, due on demand and are non-interest bearing.

A summary of the Company's related party transactions for the years ended July 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Consulting fees	**40,000**	114,632
Director and management fees	**87,458**	76,001
Exploration and evaluation expenditures	**739,769**	1,381,303
Professional fees	**95,000**	87,500
Share-based compensation	**826,396**	595,612
	1,788,623	2,255,048

11. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support current operations comprising the acquisition and development of its exploration and evaluation assets. The Company obtains funding primarily through issuing common shares. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year ended July 31, 2023. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments consist of cash, securities held for trading, and accounts payable and accrued liabilities.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The carrying value of cash and accounts payable and accrued liabilities are measured at amortized cost and approximate their carrying values due to the short term nature of these instruments.

As at July 31, 2023, securities held for trading were measured at fair value using Level 1 inputs. The fair value of securities held for trading was measured based on the quoted market price of the related common shares at each reporting date, and changes in fair value are recognized in profit or loss. There have been no movements between fair value levels during the year.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. As at July 31, 2023, the Company had cash of $3,474,363 (July 31, 2022 - $5,712,597) held with large established banks in Canada and Guyana. The Company has minimal cash held with banks in Guyana. The Company assesses its credit risk as low.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no sources of revenue and has obligations to meet its exploration and evaluation commitments and to settle amounts payable. As at July 31, 2023, the Company had a working capital surplus of $3,503,872 (July 31, 2022 - $5,931,126). The Company assesses liquidity risk as low.

c) Market risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in US dollars and Guyanese dollars. A summary of the Company's financial assets and liabilities that are denominated in US dollars and Guyanese dollars is as follows:

	July 31, 2023	July 31, 2022
	$	$
Cash	**322,566**	166,474
Accounts payable and accrued liabilities	**(42,428)**	(78,676)
	280,138	87,798

The Company has not entered any foreign currency contracts to mitigate this risk. Assuming all other variables constant, an increase or a decrease of 10% of the US dollar and the Guyanese dollar against the Canadian dollar would result in approximately $28,000 impact to the Company.

Price risk is the risk of the Company realizing a loss as a result of a decline in value with respect to its equity investments. The Company is exposed to price risk through its securities held for trading.

(Expressed in Canadian dollars, except where noted)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair value (continued)

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

13. INCOME TAXES

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

	2023	2022
	$	$
Loss for the year	**(7,822,634)**	(9,571,403)
Statutory income tax rate	**27%**	27%
Expected income tax recovery	**(2,112,000)**	(2,584,000)
Non-deductible expenditures and non-taxable revenues	**380,000**	1,110,000
Differences between Canadian and foreign tax rates	**115,000**	84,000
Share issuance costs	**(115,000)**	-
Change in unrecognized tax assets	**1,732,000**	1,390,000
Income tax	**-**	-

The Company recognizes tax benefits for losses or other deductible amounts where it is probable that the Company will be able to utilize deferred tax assets. A summary of the Company's unrecognized deductible temporary differences and unused tax losses is as follows:

	July 31, 2023	July 31, 2022
	$	$
Non-capital loss carry-forward	**2,623,000**	1,634,000
Share issue costs and financing fees	**182,000**	98,000
Property and equipment	**173,000**	123,000
Marketable securities	**24,000**	2,000
Resource properties	**(350,000)**	(467,000)
	2,652,000	1,390,000

The Company has available for deduction against future taxable income non-capital losses carried forward of $10,189,000 that will expire in 2040 – 2042. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements due to the uncertainty of their realization.

14. SEGMENTED INFORMATION

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

15. SUBSEQUENT EVENT

On September 16, 2023, 2,415,543 share purchase warrants expired unexercised.