CAMEO RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

For the three months ended November 30, 2024

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

CAMEO RESOURCES INC.

Condensed Consolidated Interim Statements of Financial Position
For the three months ended November 30, 2024
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	November 30, 2024	August 31, 2024
ASSETS		
Current assets		
Cash	$ 26,336	$ 98,025
Exploration advances	189,545	189,545
Total current assets	215,881	287,570
Non-current assets		
Exploration and evaluation assets *(Note 4)*	523,297	448,296
Total non-current assets	523,297	448,296
TOTAL ASSETS	$ 739,178	$ 735,866
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable *(Note 6)*	$ 32,224	$ 40,489
Due to related parties *(Notes 6 and 7)*	377,481	332,952
Total current liabilities	409,705	373,441
Long-term liabilities		
Due to related parties *(Notes 6 and 7)*	-	-
Total long-term liabilities	-	-
TOTAL LIABILITIES	409,705	373,441
SHAREHOLDERS' EQUITY (DEFICIT)		
Capital stock *(Note 5)*	1,712,331	1,712,331
Reserve *(Note 5)*	160,163	160,163
Deficit	(1,543,022)	(1,510,069)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	329,472	362,425
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	$ 739,277	$ 735,866

Nature and continuance of operations (Note 1)

The condensed consolidated interim financial statements are signed on the Company's behalf by:

"Abby Farrage"	*"Leonard Senft"*
Director & Chief Executive Officer	Director

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

CAMEO RESOURCES INC.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the three months ended November 30, 2024
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Three months ended November 30, 2024	Three months ended November 30, 2023
EXPENSES		
Accounting and audit	$ -	$ -
Consulting fees *(Note 6)*	13,000	3,500
Management fees *(Note 6)*	7,500	-
Office and administration	8,882	10,976
Professional fees	3,571	7,096
	(32,953)	(21,572)
OTHER ITEM		
Gain of forgiveness of debt *(Note 6)*	-	262,700
Loss and comprehensive loss for the year	$ (32,953)	$ 248,128
Basic and diluted loss per share	$ (0.01)	$ 0.01
Weighted average number of shares outstanding – basic and diluted	29,040,001	18,276,265

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

CAMEO RESOURCES INC.

Condensed Consolidated Interim Statements of Cash Flows
For the three months ended November 30, 2024
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Three months ended November 30, 2024	For the three months ended November 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Gain (Loss) for the period	$ (32,953)	$ 241,128
Items not involving cash:		
Accrued management fees	7,500	-
Gain on forgiveness of debt	-	(262,700)
Changes in non-cash operating working capital:		
Accounts payable	(8,264)	(36,404)
Net cash used in operating activities	(33,717)	(57,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(75,000)	-
Net cash used in investing activities	(75,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital stock, net of share issuance costs	-	450,000
Proceeds received from related parties	37,028	(390,000)
Net cash provided by financing activities	37,028	60,000
Change in cash	(71,689)	2,024
Cash, beginning	98,025	4,131
Cash, ending	$ 26,336	$ 6,155

Supplemental Cash Flow Information:

There were no supplemental cash flow disclosures for the three months ended November 30, 2024 and 2023.

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

CAMEO RESOURCES INC.

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity (Deficit)
For the three months ended November 30, 2024
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Number of shares	Capital Stock	Reserve	Deficit	Total Equity (Deficit)
Balance as at August 31, 2024	29,040,001	**$ 1,712,331**	**$ 160,163**	**$ (1,510,069)**	**$ 362,425**
Share-based payments	-	-	-	-	-
Comprehensive loss for the period	-	-	-	(32,953)	(32,953)
Balance as at November 30, 2024	**29,040,001**	**$ 1,712,331**	**$ 160,163**	**$ (1,543,022)**	**$ 329,472**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Cameo Resources Inc. (the "Company") was incorporated on August 22, 2014 under the Business Corporation Act of British Columbia under the name Elmira Capital Inc. On May 12, 2023, the Company changed its name to Cameo Resources Inc. The head office of the Company is 5623 145A Street, Surrey, B.C. V3S 8E3. The Company is a junior exploration company.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at August 31, 2024, the Company has not generated any revenues from operations, and an accumulated deficit of $1,510,069. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

If the going concern assumption is not appropriate for these financial statements, then adjustments that would be necessary to the carrying value of assets and liabilities, the reported expenses, and the classifications used could be material.

2. BASIS OF PREPARATION

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

The Company's functional and reporting currency is the Canadian dollar. The condensed consolidated interim financial statements were prepared and approved for issuance by the Board of Directors on January 9, 2025.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Elmira Capital (US) Corp. which was incorporated in Nevada, USA on December 23, 2019. All significant intercompany balances and transactions have been eliminated upon consolidation

3. MATERIAL ACCOUNTING POLICY INFORMATION, JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed consolidated interim financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant areas where management's judgement has been applied include:

- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, *Provisions, contingent liabilities and contingent assets*;
- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to a significant uncertainty;
- The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- Whether there are indicators of impairment of the Company's exploration and evaluation assets.

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the value of share-based payments, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

a) Foreign Currency Translation

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency in which funds from financing activities are generated and receipts from operating activities are usually retained.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant risk of change value.

3. MATERIAL ACCOUNTING POLICY INFORMATION, JUDGMENT, ESTIMATES AND ASSUMPTIONS (CONTINUED)

c) Impairment of Non-Financial Assets

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing 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 it carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, 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 cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

d) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

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.

(ii) Measurement

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 statements of operations and 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 statements of operations and comprehensive loss in the period in which they arise.

(iv) 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION, JUDGMENT, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(d) Financial Instruments (continued)

(iv) Derecognition (continued)

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.

e) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

f) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

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

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION, JUDGMENT, ESTIMATES AND ASSUMPTIONS (CONTINUED)

g) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase warrants are recognized as a deduction from equity, net of any tax effects.

h) Earnings (Loss) Per Share

The Company presents basic and diluted earnings/loss per share data for its common shares, calculated by dividing the earnings or loss attributable to common shareholders of the Company by the weighted average number of common 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 outstanding when the effect is anti-dilutive.

i) Exploration and Evaluation Assets

The Company's exploration and evaluation assets consist of mineral rights acquired and exploration and evaluation expenditure capitalized in respect of projects that are at the exploration and evaluation stage.

No amortization charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development assets in property, plant and equipment upon the commencement of mine development.

Exploration and evaluation expenditure in the relevant area of interest comprises costs which are directly attributable to:

- Acquisition;
- Surveying, geological, geochemical and geophysical;
- Exploratory drilling;
- Land maintenance;
- Sampling; and
- Assessing technical feasibility and commercial viability.

Exploration and evaluation expenditures related to an area of interest where the Company has tenure are capitalized as intangible assets and are initially recorded at cost less impairment.

Exploration and evaluation expenditures also include the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Where the Company has entered into option agreements to acquire interests in mineral properties that require periodic share issuances, amounts un-issued are not recorded as liabilities since they are issuable entirely at the Company's option. Option payments are recorded as mineral property costs when the payments are made and share issuances are recorded as mineral property costs using the fair market value of the Company's common shares at the date of the issuance.

All capitalized exploration and evaluation expenditures are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The following circumstances indicate that an entity should test exploration and evaluation assets for impairment:

3. MATERIAL ACCOUNTING POLICY INFORMATION, JUDGMENT, ESTIMATES AND ASSUMPTIONS (CONTINUED)

j) Exploration and Evaluation Assets (continued)

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

k) Share-Based Payment

The Company may grant stock options to buy common shares of the Company to directors, officers, employees and consultants. The Board of Directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion.

The fair value of the options is measured or others providing similar services at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period that the employees earn the options. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair market the equity instruments issued if it is determined that the fair value of the goods or services can not be reliably measured, and are recorded at the time the goods or services are recorded. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Consideration received on the exercise of stock options or warrants is recorded as share capital and the related fair value of the equity instruments is reallocated from the stock-based payment reserve is transferred to share capital.

New standards, interpretations and amendments not yet effective

Accounting standards, amendments to standards and interpretations that have been issued but have future effective dates are either not applicable or are not expected to have a material effect on the financial statements of the Company.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

		Nevada Claims, USA
Balance – August 31, 2024	**$**	**448,296**
Geological analysis		75,000
Balance – November 30, 2024	**$**	**523,296**

Nevada Claims, USA

The Company entered into an option agreement with Kokanee Placer Two Ltd. ("Kokanee") in December 2018, which was amended in November 2019 and amended on September 21, 2022. Pursuant to the agreement, Kokanee granted the Company an option to earn an 80% interest in certain mineral claims in Nevada, USA for consideration of the following:

i) Cash payment of $50,000 USD (paid);
ii) Issuance of 1,000,000 shares on or before January 31, 2019 (issued with a fair value of $30,000); and
iii) $75,000 USD in exploration expenditures incurred on or before September 1, 2019 and December 31, 2019, respectively (deemed by optionor to have been incurred).

Kokanee further granted the Company an option to purchase up to an additional 20% interest in the mineral claims in consideration of cash payments of $1,000,000 for each additional 5% interest in the mineral claims for up to $4,000,000.

On September 21, 2022, Kokanee provided notice to the Company that it removed the requirement of the for the additional cash payments of $1,000,000 for each additional 5% interest in the mineral claims and confirmed that the Company had earned the additional 20% interest prior to December 31, 2021.

Ecuador LOI

On October 15, 2024 – the Company entered into a binding letter of intent ("LOI") with Tristar Energy Corp. ("Tristar") to acquire a 20% interest in the VMP property (the" Property"), an early-stage epi-mesothermal gold discovery, covering 162 hectares ("ha") in the Santo Domingo de los Tsachilas province of Ecuador.

Under the terms of the LOI, the Company will earn its undivided 20% right and interest in the Property upon paying to Tristar cash payments totaling $1,500,000 and issuing 8,000,000 common shares of the Company. The transaction contemplated by the LOI is expected to close on or before January 31, 2025, is subject to a due diligence period and customary closing conditions and approvals by the exchange. The Company paid a $75,000 non-refundable deposit on signing of the LOI.

In conjunction with this transaction, the Company intends to complete a private placement and raise $2,000,000 by the offering of 13,333,333 units at a price of $0.15 per unit where each unit shall comprise one common share with a half-warrant where one whole share purchase warrant shall be exercisable at $0.30 per common share for two years from issuance. The share purchase warrant shall be subject to the following acceleration clause: if the closing price of common shares of the Company as traded on the CSE is $0.30 or more for 20 consecutive trading days, then commencing immediately after such 20-day trading period, the exercise term of the share purchase warrants shall be deemed to have been reduced to 15 calendar days. The Company will not provide notice of the accelerated exercise term.

The Company shall have the right to terminate this LOI and the definitive agreement, if (i) the Company cannot raise the funds by the closing, or (ii) the Company has not received from its consultants a satisfactory due diligence review within 120 days of the execution of this LOI or (iii) the Company is required to hold a have a shareholders' meeting and obtain approval of the transactions contemplated by this LOI or the definitive agreement and Tristar has not waived in writing its condition precedent that there be no shareholder approval the transactions contemplated by this LOI or the definitive agreement within five business days of being advised in writing that the CSE requires such shareholder approval.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL

(a) Authorized – unlimited common and preferred shares without par value

(b) Issued and outstanding: 29,040,001 as at November 30, 2024 and 21,504,001 as at November 30, 2023.

(c) Escrow shares: 9,733,335 as at August 31, 2024 and nil as at August 31, 2023.

On November 7, 2023, the Company entered into debt reorganization agreements with the CEO of the Company and a company controlled by the CEO, the "Debt Holders", whereby the Debt Holders agreed to settle debt of $450,000 through the issuance of 4,500,000 common shares of the Company, forgive debt of $262,700 and issue a postponement of payment for $213,852 until the date which is 13 months from the date that the Company's common shares are listed and called for trading on the Canadian Stock Exchange ("CSE"). The Company issued these shares on November 7, 2023 (Note 7).

On May 7, 2024, the Company successfully completed its initial public offering of 7,500,000 common shares of the Company at $0.10 per share for gross proceeds of $750,000. The Company paid a commission of $75,000 representing 10% of the gross proceeds of the IPO and issued 750,000 compensation options with a fair value of $61,711 equal in number to 10% of the number of shares sold under the IPO. These options are exercisable at $0.10 per share until May 7, 2029. In addition, the Company has incurred further agent and legal fees of $52,458 in relation to the issuance of these shares which have been recognized as share issuance costs.

The Corporation's Shares were listed on the CSE effective May 7, 2024, The Corporation's Shares commenced trading on the CSE under the trading symbol "MEO" on May 8, 2024.

Stock options

The Company's plan allows the directors to grant stock options to directors, officers, employees and consultants to purchase up to a total of 10% of the issued and outstanding common shares. No stock option granted under the plan is transferable by the optionee other than by will or the laws of descent and distribution, and each stock option is exercisable during the lifetime of the optionee only by such optionee.

On May 15, 2023, the Company approved the issuance of 1,050,000 stock options to officers and directors of the Company to be effective on the date the Company lists its shares on the CSE. Each stock option is exercisable at $0.10 per share for a period of five years from the date of listing. The grant date fair value of these options was $87,768 estimated using the Black-Scholes Option Pricing Model. The assumptions used to value the options included volatility of 120.66% a risk-free interest rate of 3.08% and a five-year term. As at August 31, 2024, the Company had recognized $51,450 (2023 - $36,318) as share-based compensation.

On May 7, 2024, the Company approved the issuance of 750,000 stock options to IPO Agents as commission for assisting the Company with listing its shares on the CSE. Each stock option is exercisable at $0.10 per share until May 7, 2029. The estimated grant date fair value of these options was $61,711 and recognized as share issuance costs. The fair value was estimated using the Black-Scholes Option Pricing Model using volatility of 116.13% a risk-free interest rate of 3.63% and a five-year term.

The changes in options during the three months ended November 30, 2024 and August 31, 2024 are as follows:

	Period ended November 30, 2024		Year ended August 31, 2024	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding, beginning of period	1,800,000	$0.10	1,050,000	$0.10
Options granted May 7, 2024	-	$0.10	750,000	$0.10
Outstanding, end of period	1,800,000	$0.10	1,800,000	$0.10
Exercisable, end of period	1,800,000	$0.10	-	$ -

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (CONTINUED)

As at November 30, 2024, the Company had the following options outstanding:

Grant date	Expiry date	Number of options	Exercise price
May 7, 2024	May 7, 2029	1,800,000	$ 0.10

6. RELATED PARTY TRANSACTIONS

During the three months ended November 30, 2024 and 2023, the Company was involved in the following related party transactions:

a) Incurred management fees of $7,500 (November 30, 2023 - $nil) and rent expenses, grouped in office and administration, of $nil (November 30, 2023 - $nil) to the CEO and Director of the Company.
b) Incurred consulting fees of $7,500 (November 30, 2023 - $nil) to the CFO of the Company.
c) As at November 30, 2024, $15,000 (November 30, 2023 - $44,000) was owing to the CFO of the Company and included in accounts payable and accrued liabilities. The amount is due on demand and non-interest bearing.
d) As at November 30, 2024, $337,480 (November 30, 2023 - $265,652) was due to the CEO and Director.

On September 1, 2023 the Company entered into amendment agreements with the CEO of the Company who agreed to temporarily cease charging monthly management fees of $5,000 and monthly rental fees of $2,500 until the Company's shares were listed on a Canadian Stock Exchange. On February 13, 2024 the parties further amended the agreements whereby the CEO reduced the monthly management fees to $2,500 once the Company's shares are listed on a Canadian Stock Exchange and to be reviewed on each anniversary date of the agreement of the parties do not agree on an increase within 30 days of the anniversary date the amount shall be automatically increased by the greater of 10% or the amount of the cost of living Index published by the City of Vancouver and to postpone charging the Company monthly rental fees until the first anniversary of the Company's shares being listed on the CSE.

On November 7, 2023, the Company entered into debt reorganization agreements with the CEO of the Company and a company controlled by the CEO, the "Debt Holders", whereby the Debt Holders agreed to settle debt of $450,000 through the issuance of 4,500,000 common shares of the Company, forgive debt of $262,700 and issue a postponement of payment for $213,852 until the date which is 13 months from the date that the Company's common shares are listed and called for trading on the CSE. The Company issued these shares on November 7, 2023 (Note 5).

7. MANAGEMENT OF CAPITAL

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and, when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the year.

8. FINANCIAL INSTRUMENTS AND RISKS

International Financial Reporting Standards 7. Financial Instruments: Disclosure, establish a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., derived from prices): and

Level 3 – inputs for asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and is classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on recurring basis presented on the Company's statements of financial position as at August 31, 2024 include cash and marketable securities which use Level 1 inputs.

The carrying amount of the Company' other financial instruments approximate fair value.

The Company's financial instruments are exposed to a number of risks that are summarized below:

Credit Risk
Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can do so only at excessive cost.

The Company's approach to managing liquidity is to ensure that it will always have sufficient cash to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions. The Company manages its liquidity risk by continuously monitoring cash flow requirements relating to its anticipated exploration and evaluation activities as well as general overhead requirements. Liquidity risk is assessed as high.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company does not have any cash or variable interest loans, management considers the interest rate risk to be minimal.

Foreign Exchange Risk
Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. All of the Company's financial instruments are denominated in Canadian dollars. In management's opinion there is no material foreign exchange risk to the Company.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and development of exploration and evaluation assets. The Company's exploration and evaluation asset is located in the USA.

10. PROPOSED TRANSACTION

On October 15, 2024 – the Company entered into a binding letter of intent ("LOI") with Tristar Energy Corp. ("Tristar") to acquire a 20% interest in the VMP property (the" Property"), an early-stage epi-mesothermal gold discovery, covering 162 hectares ("ha") in the Santo Domingo de los Tsachilas province of Ecuador.

Under the terms of the LOI, the Company will earn its undivided 20% right and interest in the Property upon paying to Tristar cash payments totaling $1,500,000 and issuing 8,000,000 common shares of the Company. The transaction contemplated by the LOI is expected to close on or before February 28, 2025, is subject to a due diligence period and customary closing conditions and approvals by the exchange. The Company paid a $75,000 non-refundable deposit on signing of the LOI.

In conjunction with this transaction, the Company intends to complete a private placement and raise $2,000,000 by the offering of 13,333,333 units at a price of $0.15 per unit where each unit shall comprise one common share with a half-warrant where one whole share purchase warrant shall be exercisable at $0.30 per common share for two years from issuance. The share purchase warrant shall be subject to the following acceleration clause: if the closing price of common shares of the Company as traded on the CSE is $0.30 or more for 20 consecutive trading days, then commencing immediately after such 20-day trading period, the exercise term of the share purchase warrants shall be deemed to have been reduced to 15 calendar days. The Company will not provide notice of the accelerated exercise term.

The Company shall have the right to terminate this LOI and the definitive agreement, if (i) the Company cannot raise the funds by the closing, or (ii) the Company has not received from its consultants a satisfactory due diligence review within 120 days of the execution of this LOI or (iii) the Company is required to hold a have a shareholders' meeting and obtain approval of the transactions contemplated by this LOI or the definitive agreement and Tristar has not waived in writing its condition precedent that there be no shareholder approval the transactions contemplated by this LOI or the definitive agreement within five business days of being advised in writing that the CSE requires such shareholder approval.