Gold Hunter Resources Inc.

Consolidated Financial Statements

For the years ended August 31, 2024 and 2023

(Expressed in Canadian Dollars)

Contents

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Gold Hunter Resources Inc.

Opinion

We have audited the consolidated financial statements of Gold Hunter Resources Inc. and its subsidiary (together, the "Company") which comprise:

- the consolidated statements of financial position as at August 31, 2024 and 2023;
- the consolidated statements of Income (loss) and comprehensive income (loss) for the years ended August 31, 2024 and 2023;
- the consolidated statements of changes in equity for the years ended August 31, 2024 and 2023;
- the consolidated statements of cash flows for the years ended August 31, 2024 and 2023; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at August 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 August 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

We draw attention to Notes 3 and 6 of the consolidated financial statements. As at August 31, 2024, the Company has E&E Assets of $3,484,663. At the end of each reporting period, management applies judgment in assessing whether there are any facts and circumstances that indicate that the carrying amount of E&E Assets may exceed its recoverable amount. If any such indication exists, the recoverable amount of the related asset is estimated in order to determine the extent of impairment, if any. Indicators of impairment may include: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the E&E Assets is unlikely to be recovered in full from successful development or by sale. As a result, management identified impairment indicators for the Cameron Lake East property and recognized an impairment loss of $453,476 in the year ended August 31, 2024. No impairment indicators were identified by management for the remaining E&E Assets as at August 31, 2024.

We considered this a key audit matter due to the significance of the E&E Assets and the judgments made by management in its assessment of impairment indicators related to E&E Assets. This resulted in a high degree of subjectivity in performing audit procedures related to the judgments applied by management.

Our approach to addressing the matter included the following procedures, among others:

Assessed the judgments made by management in determining whether there were impairment indicators related to the remaining E&E Assets, which included the following:

- Obtained, for all mining claims, by reference to government registries, evidence of the right to explore the area.
- Considered which claims will expire in the near future and where management does not have plans to renew by obtaining exploration and evaluation budgets and through discussions with management.
- Assessed the planned substantive expenditures on further exploration for and evaluation of mineral resources in the specific area by reading the minutes of the board of directors and obtaining exploration and evaluation budgets.
- Assessed whether the exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources leading the Company to discontinue activities in the specific area, or whether sufficient data exists to indicate that the carrying value of the E&E Asset is unlikely to be recovered in full from successful development or by sale, based on evidence obtained through discussions with management and the audit committee, reading the minutes of the board of directors and reading the Company's news releases.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 Artem Valeev.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
December 16, 2024

Gold Hunter Resources Inc.
Consolidated Statements of Financial Position
As at August 31, 2024 and 2023
(Expressed in Canadian dollars)

		2024		2023
ASSETS				
Current assets				
Cash and cash equivalents	$	2,146,873	$	70,779
Amounts receivable		18,601		9,552
Prepaid expenses and deposits		91,774		2,750
		2,257,248		83,081
Non-current assets				
Investments (note 4)		190,000		190,000
Exploration and evaluation assets (note 6)		3,484,663		2,409,966
	$	5,931,911	$	2,683,047
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 8)	$	104,936	$	306,301
Income tax liability (note 14)		944,000		-
Loans and notes payable (note 5, 6)		-		152,500
		1,048,936		458,801
SHAREHOLDERS' EQUITY				
Share capital (note 7)		10,305,218		4,898,580
Reserves		133,954		272,193
Accumulated other comprehensive loss		(110,000)		(110,000)
Deficit		(5,446,197)		(2,836,527)
		4,882,975		2,224,246
	$	5,931,911	$	2,683,047

NATURE OF BUSINESS AND CONTINUING OPERATIONS (note 1)
COMMITMENTS (note 11)
SUBSEQUENT EVENT (note 15)

Approved on behalf of the Board:

"Michael Williams"
Director

"Sean Kingsley"
Director

Gold Hunter Resources Inc.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the years ended August 31, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
EXPENSES		
Consulting fees	$ 215,596	$ 152,050
Investor relations and shareholder information	60,456	-
Listing and filing fees	87,844	25,506
Management fees (note 8)	273,000	179,000
Office expense	16,501	10,400
Professional fees	172,421	117,035
Rent	31,500	42,000
Travel and accommodation	17,546	14,960
	(874,864)	(540,951)
OTHER INCOME (EXPENSES)		
Distribution fees	(25,508)	-
Financing fee (note 5)	(26,292)	-
Gain (loss) on sale of exploration and evaluation assets (note 6)	14,255,360	(1,271,090)
Interest income	16,216	-
Loss on foreign exchange	(523)	-
Realized gain on investments (note 4)	2,104,550	-
Write-down of exploration and evaluation assets (note 6)	(453,476)	-
INCOME (LOSS) BEFORE TAX	14,995,463	(1,812,041)
Income tax expense (note 14)	(944,000)	-
INCOME (LOSS) AFTER TAX	14,051,463	(1,812,041)
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain (loss) on investments (note 4)	-	(110,000)
COMPREHENSIVE INCOME (LOSS)	$ 14,051,463	$ (1,922,041)
INCOME (LOSS) PER SHARE (basic and diluted)	$ 0.34	$ (0.07)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)	41,042,704	26,693,178

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

Gold Hunter Resources Inc.
Consolidated Statements of Changes in Equity
For the years ended August 31, 2024 and 2023
(Expressed in Canadian dollars)

	Common shares			Accumulated Other Comprehensive		
	Number	Amount	Reserves	Loss	Deficit	Total
As at August 31, 2022	**25,826,500**	**$ 4,049,567**	**$ 120,881**	**$ -**	**$ (1,024,486)**	**$ 3,145,962**
Shares issued for exploration and evaluation assets	3,025,000	731,250	-	-	-	731,250
Compensation options exercised	460,500	117,763	(48,688)	-	-	69,075
Share issuance obligation (note 6)	-	-	200,000	-	-	200,000
Loss for the year	-	-	-	-	(1,812,041)	(1,812,041)
Other comprehensive income (loss)						
Unrealized gain (loss) on investments (note 4)	-	-	-	(110,000)	-	(110,000)
As at August 31, 2023	**29,312,000**	**$ 4,898,580**	**$ 272,193**	**$ (110,000)**	**$ (2,836,527)**	**$ 2,224,246**
Shares and warrants issued for cash	2,880,000	691,200	28,800	-	-	720,000
Shares issued for exploration and evaluation assets	18,346,478	3,476,107	(200,000)	-	-	3,276,107
Shares issued for acquisitions of exploration and evaluation assets (note 6, 13)	9,000,000	1,260,000	-	-	-	1,260,000
Share issuance costs	-	(20,669)	6,669	-	-	(14,000)
Bonus warrants issued (note 5)	-	-	26,292	-	-	26,292
Share dividend (note 12)	-	-	-	-	(16,661,133)	(16,661,133)
Income and other comprehensive income for the year	-	-	-	-	14,051,463	14,051,463
As at August 31, 2024	**59,538,478**	**$ 10,305,218**	**$ 133,954**	**$ (110,000)**	**$ (5,446,197)**	**$ 4,882,975**

The accompanying notes are an integral part of these consolidated financial statemen

Gold Hunter Resources Inc.
Consolidated Statements of Cash Flows
For the years ended August 31, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
OPERATING ACTIVITIES		
Income (loss) for the year	$ 14,051,463	$ (1,812,041)
Item not involving cash:		
Financing fee	26,292	-
Loss (gain) on sale of exploration and evaluation asset	(14,255,360)	1,271,090
Loss on foreign exchange (note 12)	523	-
Realized gain on investments	(2,104,550)	-
Write-down of exploration and evaluation assets	453,476	-
	(1,828,156)	(540,951)
Changes in non-cash working capital balances:		
Amounts receivable	(9,049)	13,650
Prepaid expenses	(89,024)	160,913
Accounts payable	(224,403)	240,593
Income tax liability	944,000	-
Cash used in operating activities	(1,206,632)	(125,795)
INVESTING ACTIVITIES		
Proceeds from the sale of exploration and evaluation assets	-	50,000
Proceeds from sale of investments (note 4)	3,848,531	-
Transaction cost on sale of exploration and evaluation assets	(224,046)	-
Exploration and evaluation assets	(770,013)	(294,556)
Cash provided by (used in) investing activities	2,854,472	(244,556)
FINANCING ACTIVITIES		
Dividends (note 12)	(26,003)	-
Part XIII withholding tax (note 12)	(99,243)	-
Proceeds from issuance of shares and warrants, net	706,000	-
Proceeds from compensation options exercised	-	69,075
Proceeds (repayment) of loans and notes (note 5)	(152,500)	75,000
Cash provided by financing activities	428,254	144,075
CHANGE IN CASH AND CASH EQUIVALENTS	2,076,094	(226,276)
CASH AND CASH EQUIVALENTS, beginning of year	70,779	297,055
CASH AND CASH EQUIVALENTS, end of year	$ 2,146,873	$ 70,779
Interest received	$ 16,216	$ -
Income taxes	$ -	$ -

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Gold Hunter Resources Inc. ("the Company") was incorporated on October 30, 2019 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 75 – 8050 204th Street, Langley, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at August 31, 2024, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company had an accumulated deficit of $5,446,197 as at August 31, 2024, which has been funded by the issuance of equity and the sale of investments. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

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

Approval of the Financial Statements

The consolidated financial statements of the Company were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on December 16, 2024.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiary Long Range Exploration Corporation ("Long Range"). All intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of August 31, 2024, the Company held $2,096,181 (2023 - $Nil) cash equivalents.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

Deferred tax assets and liabilities
The measurement of deferred tax assets and liabilities. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it’s probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized.

Options and Warrants
The valuation of options and certain warrants requires estimation and assumptions for valuation techniques. Changes in such assumptions and estimates could materially impact the recorded amounts.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Critical accounting estimates and judgments (continued)

Critical accounting judgments

Business combinations
The application of the Company's accounting policy for business combinations requires management to make certain judgments on a case-by-case basis as to the determination of the accounting method of an acquisition to determine if the assets acquired meet the definition of a business requiring the acquisition method of accounting for a business combination or an asset acquisition by application of the optional asset concentration test. Pursuant to this assessment, the acquisition of Long Range during the year ended August 31, 2024, was determined to be an asset acquisition (note 13).

Impairment of exploration and evaluation assets
The assessment of indications of impairment of the Company's exploration and evaluation assets and related determination of the recoverable amount and write-down of the Company's exploration and evaluation assets where applicable.

Business combinations and asset acquisitions

The acquisition method of accounting is used to account for acquisitions of businesses and assets that meet the definition of a business under IFRS. Identifiable assets acquired and liabilities (including provisions) assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets acquired, the difference is recognized immediately in profit or loss. Business combination associated transaction costs are expensed when incurred. In determining whether an entity meets the definition of a business, there is an optional concentration test which is a simplified assessment that results in the acquisition being an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If an entity chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process, and the acquisition is accounted for as a business combination. The cost of an acquisition that does not meet the definition of a business under IFRS and does not qualify as a business combination is measured as the fair value of the consideration given and liabilities incurred or assumed at the date of exchange. No goodwill arises on an asset acquisition and the cost of the assets acquired and liabilities assumed are allocated to the assets and liabilities on the basis of their relative fair values at the date of purchase. Asset acquisition associated transaction costs are capitalized as a cost of the acquisition.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Financial instruments

Financial assets

On initial recognition financial assets are classified as measured at:

i. Amortized cost;
ii. Fair value through other comprehensive income ("FVOCI"); and
iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at amortized cost.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

ii. FVOCI
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company's investments are classified at FVOCI.

iii. FVTPL
Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of operations and comprehensive loss in the period in which it arises.

The Company's cash and cash equivalents are classified at FVTPL.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share capital

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

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using the trading price and then allocates the residual value, if any, of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to reserves. When warrants are exercised, the corresponding value is transferred from reserves to share capital. When warrants expire unexercised or are cancelled, the applicable amounts recorded in reserves are reclassified to deficit.

Warrants issued as finders' and agents' fees, including agents' compensation options issued during the initial public offering, are recorded at fair value measured using the Black-Scholes option pricing model.

Share-based payments

The Company may grant stock options to acquire common shares to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options granted to employees and others providing similar services is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in expense and reserves over the vesting period. Consideration paid for the shares along with the fair value recorded in reserves on the exercise of stock options is credited to share capital. When stock options expire unexercised or are cancelled, the applicable amounts recorded in reserves are reclassified to deficit.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the entity cannot be estimated reliably, the equity instruments are measured at the fair value of the share-based payment. Otherwise, share-based payment transactions are measured at the fair value of goods or services received.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Loss per share

The Company presents basic and diluted 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 common shares outstanding during the period. Diluted 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. Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

As the Company has recorded a net loss in each of the periods presented, basic and diluted net loss per share are the same as the exercise of stock options or share purchase warrants are anti-dilutive.

Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

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.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Decommissioning, restoration, and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the property is located.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

Adoption of new accounting standards, interpretations and amendments

The following amended accounting standards issued by the IASB have an effective date on or after January 1, 2024 and were adopted effective January 1, 2024.

<u>Amendments to IAS 1: Classification of Liabilities as Current or Non – current:</u>
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

<u>Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies</u>
In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements and IFRS Practice Statement 2 Making Material Judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose significant accounting policies with a requirement to disclose material accounting policies. Guidance and illustrative examples have been included in the Practice Statement to assist with the application of the materiality concept when making judgements about accounting policy disclosure.

<u>Amendments to IAS 8 – Definition of Accounting Estimates</u>
The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Adoption of new accounting standards, interpretations and amendments (continued)

The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year are not expected to have a material impact on the Company's consolidated financial statements.

4. INVESTMENTS

Investments in shares comprise the following:

	Number of shares	Cost	Accumulated Unrealized Loss	August 31, 2024 Fair Value
Sorrento Resources Ltd.	1,000,000	$ 300,000	$ (110,000)	$ 190,000

	Number of shares	Cost	Accumulated Unrealized Loss	August 31, 2023 Fair Value
Sorrento Resources Ltd.	1,000,000	$ 300,000	$ (110,000)	$ 190,000

Sorrento Resources Ltd. is a listed company, and the fair value of the investments was determined using quoted market prices at the date of the Consolidated Statements of Financial Position. In June 2023, the Company received 1,000,000 common shares of Sorrento Resources Ltd. with a fair value of $300,000, in respect of the sale of six other projects acquired as part of the Rambler and Tilt Cove Projects Property (note 6).

In May 2024, the Company received 30,290,624 common shares of FireFly Metals Ltd. ("FireFly") with a fair value of $18,280,392, in respect of the sale of the Rambler and Tilt Cove Property (note 6).

In May 2024, the Company sold 5,197,738 common shares of FireFly for net proceeds of $3,705,323. The adjusted cost base of the common shares sold was determined to be $3,136,835 and the Company recorded a realized gain of $568,488 upon the sale of the investment.

In June 2024, the Company distributed 24,892,985 common shares of FireFly with a fair value of $16,536,411 to the shareholders of the Company (note 12). The adjusted cost base of the common shares distributed was determined to be $15,010,763 and the Company recorded a realized gain of $1,525,648 upon the disposition of the investment.

In June 2024, the Company sold 199,901 common shares of FireFly for net proceeds of $143,208. The adjusted cost base of the common shares sold was determined to be $132,794 and the Company recorded a realized gain of $10,414 upon the sale of the investment.

4. INVESTMENTS (continued)

During the year ended August 31, 2024, the Company recorded a total realized gain of $2,104,550 (2023 - $Nil) in net income.

During the year ended August 31, 2024, the Company recorded an unrealized loss of $Nil (2023 - $110,000) in other comprehensive income.

5. LOANS AND NOTES PAYABLE

In July 2023, the Company obtained private, non-interest-bearing loans from a certain related and other unrelated parties for an aggregate amount of $75,000 (includes $25,000 from an insider). The loans are payable in full upon the closing of the Company’s next private placement financing ("Future Financing”). The proceeds from the loans will be used to fulfill the Company’s mineral claim obligations in respect of its exploration and evaluation assets (note 6) and working capital requirements. On closing of the Future Financing, the Company will repay the loans and will issue to the lenders an aggregate total of 300,000 common share purchase warrants (includes 100,000 warrants to an insider) in the Company (“Bonus Warrants”). Each Bonus Warrant will be exercisable to purchase one common share of the Company at the per share issue price of the Future Financing, for a period of 24 months from the date of issuance.

In July 2023, the Company issued promissory notes in the aggregate amount of $77,500 in respect of the purchase of five additional properties adjacent to the Rambler Project (note 6). The notes are unsecured, non-interest-bearing and have a term of 90 days.

During the year ended August 31, 2024, the Company fully repaid the $77,500 promissory notes and $75,000 loans. In connection with the loans, the Company issued 300,000 Bonus Warrants with a fair value of $26,292. Each bonus warrant is exercisable to purchase one common share of the Company at a price of $0.35 for a period of 24 months from the closing date of the private placement (note 7).

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Cameron Lake East	Rambler and Tilt Cove	Great Northern	Total
	$	$	$	$
Balance, August 31, 2023	**425,644**	**1,984,321**	**-**	**2,409,966**
Acquisition costs				
Cash	-	54,000	522,000	576,000
Shares	-	1,726,800	2,809,307	4,536,107
Other	22,547	10,857	90,019	123,423
	22,547	1,791,657	3,421,326	5,235,530
Exploration and evaluation costs				
Data compilation	-	17,400	-	17,400
Geophysical surveys	-	108	63,337	63,445
Prospecting	5,285	7,500	-	12,785
	5,285	25,008	63,337	93,630
Other				
Sale proceeds, shares	-	(18,280,392)	-	(18,280,392)
Sale transaction costs	-	224,046	-	224,046
Gain on sale	-	14,255,360	-	14,255,360
Write-off	(453,476)	-	-	(453,476)
	(453,476)	(3,800,986)	-	(4,254,462)
Balance, August 31, 2024	**-**	**-**	**3,484,663**	**3,484,663**

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

	Cameron Lake East	Rambler and Tilt Cove	Total
	$	$	$
Balance, August 31, 2022	**313,644**	**2,414,106**	**2,727,750**
Acquisition costs			
Cash	12,000	142,000	154,000
Shares	100,000	831,250	931,250
Other	-	5,876	5,876
	112,000	979,126	1,091,126
Exploration and evaluation costs			
Data compilation	-	186,680	186,680
Geophysical surveys	-	8,000	8,000
Prospecting	-	17,500	17,500
	-	212,180	212,180
Other			
Sale proceeds, cash	-	(50,000)	(50,000)
Sale proceeds, shares	-	(300,000)	(300,000)
Loss on sale	-	(1,271,090)	(1,271,090)
	-	(1,621,090)	(1,621,090)
Balance, August 31, 2023	**425,644**	**1,984,321**	**2,409,966**

6. EXPLORATION AND EVALUATION ASSETS (continued)

Cameron Lake East Property

In January 2020, the Company entered into an option agreement (the "Agreement") to acquire the mineral claims known as Cameron Lake East Property located in the Kenora Mining Division of Ontario. The Agreement is pursuant to an underlying option agreement (the "Head Option Agreement") between the optionor and the original claim holder ("Claim Holder"). To exercise the option and acquire the claims, the Company must pay the optionor $66,000 and issue 1,000,000 common shares of the Company as follows:

a. pay $20,000 on signing of the Agreement (paid);
b. pay an additional $10,000 and issue 500,000 common shares on the earlier of (i) listing of the Company's common shares on the Canadian Securities Exchange, and (ii) March 15, 2021 (paid and issued);
c. pay an additional $12,000 on January 15, 2022 (paid);
d. pay an additional $12,000 and issue an additional 500,000 common shares on January 15, 2023 (paid and issued); and
e. pay an additional $12,000 on January 15, 2024.

In addition, under the Head Option Agreement, the optionor must pay the Claim Holder $48,000 (paid) by September 20, 2023. Upon exercise by the Optionor of its option under the Head Option Agreement, the Claim Holder will be entitled to a 1.5% net smelter returns royalty (the "Claim Holder's NSR"), subject to the Optionor's right to purchase a one-half interest in the Claim Holder's NSR in accordance with the Head Option Agreement. Under the Agreement, the Claims are subject to the reservation by the Optionor of a 1.5% net smelter returns royalty (the "Optionor's NSR") to be paid by the Company upon exercise of the option in full.

Following the exercise of the Option, the Company will have the right to purchase the Optionor's NSR at any time for $1,000,000. For greater certainty, in the event the Company purchases the Optionor's NSR, the Claims would be subject only to the Claim Holder's NSR (1.5%) of which the Optionor will hold an option to purchase a one-half interest (0.75%) in accordance with the terms of the Head Option Agreement.

During the year ended August 31, 2024, the Company elected to terminate its option due to management's decision that resources should be allocated to more strategically aligned properties. Accordingly, the Company recognized a write-down of $453,476.

Rambler and Tilt Cove Properties

In January 2022, the Company entered into one option agreement and one purchase agreement to acquire the Rambler and Tilt Cove Projects and six other projects in the Province of Newfoundland and Labrador, collectively known as the Rambler and Tilt Cove Properties. In December 2023, the option agreement was amended in connection with the proposed sale of the Ramble and Tilt Cove Properties.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Rambler and Tilt Cove Properties (continued)

To exercise the option and acquire the claims, the Company must pay the optionors $590,000 and issue 6,000,000 common shares as follows:

a. pay $15,000 upon signing of the option agreement (paid);
b. pay an additional $25,000 on or before December 1, 2022 (paid);
c. pay an additional $50,000 on or before December 1, 2023 (paid);
d. issue an additional 6,000,000 common shares on or before January 4, 2024 (issued); and
e. pay an additional $500,000 on or before July 1, 2024, provided that in the event there is an assignment, other than an assignment to a subsidiary, or subsequent to an assignment to a subsidiary, there is a change of control in that subsidiary, then the cash payment will become due within 30 days of such assignment.

In connection with the option agreement, the Company must pay finders' fees of $47,200 and issue 480,000 common shares as follows:

a. pay $1,200 upon signing of the option agreement (paid);
b. pay an additional $2,000 on or before December 1, 2022 (paid);
c. pay an additional $4,000 on or before December 1, 2023 (paid);
d. pay an additional $40,000 and issue 480,000 common shares upon closing of the Transaction (issued).

In connection with the purchase agreement, the Company paid $250,000 and issued 4,000,000 common shares to acquire the claims. The Company also paid a finders' fee of $15,000 and 240,000 shares in respect of the purchase agreement. A portion of the claims is subject to a 2% net smelter returns royalty and a portion is subject to a 2.5% net smelter returns royalty of which the Company may purchase 50% at any time for $1,000,000 and 60% at any time for $2,000,000, respectively.

In June 2023, the Company sold 100% interest in the six other projects acquired as part of the Rambler and Tilt Cove Projects for $50,000 and 1,000,000 common shares of Sorrento Resources Ltd. with a fair value of $300,000, determined using quoted market prices on the closing date of the transaction. The Company retained a 1% net smelter returns royalty which the purchaser has the right to buy back 50% at any time for $1,000,000. Pursuant the sale transaction, the Company recorded a loss on sale of exploration and evaluation assets of $1,271,090.

In July 2023, the Company entered into five purchase agreements for additional properties adjacent to the Rambler Project in the Baie Verte Peninsula, Newfoundland. In connection with the purchase agreements, the Company paid $37,500 and issued 2,275,000 common shares.. In addition, the Company issued $77,500 of non-interest bearing promissory notes with a term of 90 days and issued 250,000 common shares as finders' fee. The Company will also issue an additional 800,000 common shares on the date that is 4 months and a day from the closing date and recorded a reserve for an obligation to issue the remaining common shares with a fair value of $200,000. The five properties are each subject to a 2% net smelter returns royalty of which the Company may purchase 50% at any time for an aggregate total of $5,500,000.

In November 2023, the Company issued the remaining 800,000 common shares, reclassified the $200,000 reserve to share capital, and fully repaid the $77,500 promissory notes.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Rambler and Tilt Cove Properties (continued)

In December 2023, the Company entered into share purchase and sale agreement with Firefly whereby Firefly will acquire all of the common shares of 1451366 B.C. Ltd. (the "Subsidiary"), a wholly owned subsidiary of the Company, in exchange for the issuance to the Company of 30,290,624 common shares of Firefly (the "Transaction"). Prior to closing the Transaction, the Subsidiary will hold all of the Company's mineral claims and assets in Newfoundland & Labrador, Canada comprised of the mineral claims on the Company's Rambler Property and on the Company's Tilt Cove Property (the "Claims").

In March 2024, the Company completed the Transaction in exchange for the issuance to the Company of 30,290,624 common shares of Firefly with a fair value of $18,280,392, determined using quoted market prices on the closing date of the Transaction. Pursuant the Transaction, the Company recorded a gain on sale of exploration and evaluation assets of $14,266,230. Upon completion of the sale, Firefly assumed all related obligations and liabilities regarding the Claims and any royalties on the Claims including the final $500,000 option payment and $40,000 finders' fee payment.

Great Northern Property

In May 2024, the Company entered into one option agreement, four property purchase agreements, and one share purchase agreement to acquire the Great Northern and Viking Projects, and surrounding and adjoining mineral claims, in the Province of Newfoundland and Labrador, collectively known as the Great Northern Property. In June 2024, the Company completed the closing conditions of the agreements.

To exercise the option and acquire the claims, the Company must pay the optionors $1,425,000 and issue common shares with an aggregate value equal to $8,000,000 as follows:

a. pay $300,000 and issue common shares with an aggregate value equal to $1,000,000 on the closing date (paid and issued 7,042,253 common shares);
b. pay an additional $450,000 and issue common shares with an aggregate value of $2,750,000 on or before one year after the closing date; and
c. pay an additional $675,000 and issue common shares with an aggregate value of $4,250,000 on or before two years after the closing date.

The option is subject to an acceleration clause whereby the Company may fully exercise the option by satisfying the cash and share payments at any time prior to the second anniversary of the closing date. A portion of the claims is subject to a net smelter return royalty ("NSR") of 0.5% to 3%. The Company paid an exclusivity fee of $75,000 in connection with a letter of intent with respect to the option agreement.

In connection with the purchase agreements, the Company paid $95,000 and issued 2,200,000 common shares to acquire the claims. A portion of the claims is subject to a 2% NSR of which the Company shall have the option to buy-back at any time, to reduce the NSR to 1% for $3,000,000.

In connection with the share purchase agreement, the Company acquired all of the issued and outstanding common shares of Long Range in exchange for 9,000,000 common shares (note 13). A portion of the claims is subject to an NSR of 1% to 2%, of which the Company shall have the option to buy-back at any time, to reduce the NSR to 0.5% for $2,750,000.

The Company paid a finders' fee of $52,000 and issued 1,824,225 common shares in respect of the transaction.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

As of August 31, 2024 there were 59,538,478 (August 31, 2023 - 29,312,000) common shares issued and outstanding.

During the year ended August 31, 2024:

I. On November 2, 2023, the Company issued, pursuant to a private placement, 2,880,000 units at a price of $0.25 per unit for gross proceeds of $720,000. Each unit consisted of one common share and one transferable common share purchase warrant exercisable for one common share at a price of $0.35 per share for a period of 24 months. Warrants were valued at $28,800 using the residual value method. The Company paid cash finders' fees totaling $14,000 and 56,000 finders' warrants with a fair value of $6,669 in respect of the offering.

II. On November 13, 2023, the Company issued 800,000 common shares with a fair value of $0.25 per share ($200,000 total) for the purchase of exploration and evaluation assets (Rambler Property) (note 6).

III. On January 4, 2024, the Company issued 6,000,000 common shares with a fair value of $0.265 per share ($1,590,000 total) for the option of exploration and evaluation assets (Rambler Property) (note 6).

IV. On April 4, 2024, the Company issued 480,000 common shares with a fair value of $0.285 per share ($136,800 total) for finders' fees in connection with the option of exploration and evaluation assets (Rambler Property) (note 6).

V. On June 10, 2024, the Company issued 7,042,253 common shares with a fair value of $0.14 per share ($985,915 total) for the option of exploration and evaluation assets (Great Northern Property) (note 6).

VI. On June 10, 2024, the Company issued 2,200,000 common shares with a fair value of $0.14 per share ($308,000 total) for the purchase of exploration and evaluation assets (Great Northern Property) (note 6).

VII. On June 10, 2024, the Company issued 9,000,000 common shares with a fair value of $0.14 per share ($1,260,000 total) for the acquisition of exploration and evaluation assets (Great Northern Property) (note 6, 13).

VIII. On June 10, 2024, the Company issued 1,824,225 common shares with a fair value of $0.14 per share ($255,392 total) for finders' fees in connection with the option, purchase, and acquisition of exploration and evaluation assets (Great Northern Property) (note 6).

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Issued and outstanding (continued)

During the year ended August 31, 2023:

I. On January 14, 2023, the Company issued 500,000 common shares with a fair value of $0.20 per share ($100,000 total) for the option to purchase exploration and evaluation assets (Cameron Lake East Property) (note 6).

II. In February 2023, the Company issued 460,500 common shares for proceeds of $0.15 per share ($69,075 total) upon the exercise of compensation options.

III. On July 21, 2023, the Company issued 2,525,000 common shares with a fair value of $0.25 per share ($631,250 total) for the purchase of exploration and evaluation assets (Rambler Property) (note 6).

Stock options

The Company adopted an Omnibus Compensation Plan (the "Plan") under which the Board of Directors may grant restricted share units ("RSUs") and stock options ("Options") to directors, officers, employees, and consultants.

Under the plan, the number of common shares reserved for issuance pursuant to the settlement of RSUs may not exceed 10% of the issued and outstanding common shares and the number of common shares reserved for issuance pursuant to the new grant of Options may not exceed 10% of the issued and outstanding common shares. The options expire not more than 10 years from the date of grant or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

A continuity schedule of outstanding stock options is as follows:

	Number Outstanding	Weighted Average Exercise Price
		$
Balance as at August 31, 2022	800,000	0.50
Forfeited	(200,000)	0.50
Balance as at August 31, 2023	600,000	0.50
Balance as at August 31, 2024	600,000	0.50

As of August 31, 2024, the Company had share purchase options outstanding and exercisable to acquire common shares of the Company as follows:

Grant Date	Expiry Date	Number of options	Exercisable	Exercise Price
October 1, 2020	October 1, 2030	600,000	600,000	$ 0.50
		600,000	600,000	$ 0.50

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Restricted share units

As of August 31, 2024, the Company had no RSUs outstanding and exercisable to acquire common shares of the Company.

Share purchase warrants

A continuity schedule of outstanding warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
		$
Balance as at August 31, 2022 and 2023	-	-
Issued	3,236,000	0.35
Balance as at August 31, 2024	3,236,000	0.35

As of August 31, 2024, the Company had warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Number of warrants	Exercisable	Exercise Price
			$
November 2, 2025	3,236,000	3,236,000	$ 0.35

During the year ended August 31, 2024, there were 2,880,000 warrants issued pursuant to a private placement, 56,000 warrants issued to finders, and 300,000 warrants issued as bonus warrants (note 5).

The fair value of the warrants issued pursuant to a private placement were valued at $28,800 using the residual value method. The fair value of the warrants issued to finders was $6,669 and was estimated using the Black-Scholes option pricing model with the following assumptions: (i) stock price on grant date of $0.24, (ii) exercise price of $0.35, (iii) expected life of 2 years, (iv) expected volatility of 109%, (v) expected dividend rate of 0%, (vi) risk-free interest rate of 4.48%, and (vii) expected forfeiture rate of 0%. The fair value of the bonus warrants issued was $26,292 and was estimated using the Black-Scholes option pricing model with the following assumptions: (i) stock price on service date of $0.195, (ii) exercise price of $0.35, (iii) expected life of 2 years, (iv) expected volatility of 109%, (v) expected dividend rate of 0%, (vi) risk-free interest rate of 4.48%, and (vii) expected forfeiture rate of 0%.

8. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

(Expressed in Canadian dollars)

8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The Company had incurred the following key management personnel cost from related parties:

	2024	2023
	$	$
Management fees paid to the former CEO	-	70,000
Management fees paid to a corporation controlled by the CEO	140,000	25,000
Management fees paid to the CFO	80,000	48,000
	220,000	143,000

During the year ended August 31, 2024, the Company fully repaid a $25,000 loan to a company controlled by the CEO and issued 100,000 Bonus Warrants with a fair value of $8,764 to a company controlled by the CEO in connection with the loan agreement (note 5 and 7). In addition, the Company issued 240,000 common shares with a fair value of $68,400 to a company controlled by the CEO for finders' fees in connection with the option of exploration and evaluation assets (Rambler Property) (note 6 and 7) and the CFO of the Company participated in the private placement and purchased 40,000 units with the warrants having a fair value of $400 using the residual value method (note 7).

During the year ended August 31, 2024, the Company distributed 249,835 common shares of FireFly to a company controlled by the CEO, 25,428 common shares of FireFly to the CFO, and 556,248 common shares of FireFly to directors having total fair value of 552,373.

As at August 31, 2024, $20,880 (August 31, 2023 - $38,955) was due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the Consolidated Statements of Financial Position. The amount payable are unsecured, non-interest bearing and due on demand.

9. MANAGEMENT OF CAPITAL

The Company defines capital as all components of equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements.

The exploration and evaluation assets in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital structure consists of equity. As at August 31, 2024, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes 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. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the 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 cash equivalents and investments, and are 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 a recurring basis were presented on the Company's Consolidated Statements of Financial Position as at August 31, 2024 were as follows:

		Fair value measurement using		
	Carrying amount	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,146,873	$ 2,146,873	$ -	$ -
Investments	$ 190,000	$ 190,000	$ -	$ -

Financial risk management objectives and policies

The Company's financial instruments include cash, investments, accounts payable, loans and notes payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. A portion of the Company's investments listed on the Australian Securities Exchange make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, financial performance and cash flows.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies (continued)

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are shorrt- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company maintains a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company’s projects and operations. All of the Company’s accounts payable and accrued liabilities are due within 30 days and are subject to normal trade terms. The Company had cash and cash equivalents at August 31, 2024 in the amount of $2,146,873 (2023 – $70,779) in order to meet short-term business requirements. At August 31, 2024, the Company had current liabilities of $1,048,936 (2023 – $458,801).

11. COMMITMENTS

The Company is committed to certain cash payments and common share issuances as described in note 6.

12. SHARE DIVIDEND

In April 2024, the Company declared a dividend and obtained court approval for a statutory plan of arrangement under section 288 of the Business Corporations Act (British Columbia) pursuant to which the Company will distribute 25,092,886 ordinary shares of FireFly to the shareholders of the Company on a pro-rata basis proportionate to their shareholding on the record date of May 2, 2024. For certain shareholders resident in the U.S. who do not qualify as accredited investors as defined in Rule 501(a) of Regulation D, as promulgated by the United States Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended, the Company will make a cash payment in lieu of the shares.

In June 2024, the Company distributed 24,892,985 common shares of FireFly with a fair value of $16,536,411 to the shareholders of the Company. The Company withheld a total of 199,901 shares of FireFly from the distribution, consisting of 149,395 shares with a fair value of $99,242 for Part XIII withholding tax and 50,506 shares for certain US shareholders who received cash payments totaling USD $18,687 (CAD $25,480) in lieu of shares. The total fair value of the dividend was determined to be $16,661,133.

(Expressed in Canadian dollars)

13. ASSET ACQUISITION

On May 29, 2024, the Company, Long Range, and the shareholders of Long Range, entered into a share purchase agreement pursuant to which the Company agreed to purchase all of the issued and outstanding shares of Long Range from the shareholder of Long Range in exchange for an aggregate of 9,000,000 common shares of the Company. The transaction closed on June 10, 2024 when the Company's stock price was $0.14. The fair value of the common shares issued was determined to be $1,260,000. Long Range is the owner of minerals claims surrounding and adjoining the Great Northern Property.

For accounting purpose, the acquisition is considered to be outside the scope of IFRS 3 Business Combinations as Long Range did not constitute a business prior to the transaction. As a result, the acquisition is accounted for in accordance with IFRS 2 Share-based Payment whereby the Company issued shares in exchange for the net assets of Long Range. At the acquisition date, Long Range did not have any significant assets other than evaluation and exploration assets and did not have any liabilities other than accounts payable and accrued liabilities. The fair value of the evaluation and exploration assets acquired was measured by reference to the fair value of the equity instruments issued, plus any transaction costs incurred as the fair value of the evaluation and exploration assets could not be estimated reliably.

The fair values of the consideration, assets acquired, and liabilities assumed were as follows:

Consideration given:	**$**
9,000,000 common shares	1,260,000
Legal and other transaction costs	40,445
	1,300,445

Net assets acquired:	**$**
Current assets	14,622
Current liabilities assumed	(56,997)
Exploration and evaluation assets	1,342,819
	1,300,445

(Expressed in Canadian dollars)

14. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2024	**2023**
Canadian statutory income tax rate	27%	27%
Income tax expense (recovery) at statutory rate	$ 4,050,000	$ (518,000)
Effect of income taxes of:		
Permanent differences and other	(2,391,000)	30,000
Change in deferred tax assets not recognized	(715,000)	488,000
Income tax expense (recovery)	$ 944,000	$ -

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2024	**2023**
Non-capital loss carry forwards	$ -	$ 425,000
Exploration and evaluation assets	500	316,000
Share issuance costs and other	715,000	46,000
Deferred tax assets not recognized	(720,000)	(787,000)
	$ -	$ -

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward years to utilize all deferred tax assets. At August 31, 2024, the Company has non-capital losses of $Nil (2023 – $1,577,000) due to the utilization of all carry-forward non-capital losses when the Company sold the Rambler and Tilt Cover Properties to FireFly.

15. SUBSEQUENT EVENT

In September 2024, options to purchase up to 200,000 shares at a price of $0.50 per share were forfeited in relation to the resignation of a director at the Company.