TAURUS GOLD CORP

Taurus Gold Corp.

Condensed Interim Financial Statements

For the three months ended

October 31, 2023

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Taurus Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

December 21, 2023

Taurus Gold Corp.

Condensed Interim Statements of Financial Position

(Unaudited – Prepared by Management)

As at October 31, 2023 and July 31, 2023

	Note	**October 31, 2023 $**	July 31, 2023 $
Assets			
Current assets			
Cash		293,485	623,509
Sales tax receivable		29,671	21,218
Prepaid expenses		523	4,473
		323,679	649,200
Non-current assets			
Prepaid exploration expenditures	4	23,363	53,363
Mineral property interests	4	1,975,074	1,881,400
		1,998,437	1,934,763
Total assets		**2,322,116**	2,583,963
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	7	49,966	211,124
Flow-through liability		-	53,750
Total liabilities		**49,966**	264,874
Shareholders' equity			
Share capital	6	3,104,100	3,104,100
Reserves	6	505,100	414,800
Deficit		(1,337,050)	(1,199,811)
Total shareholders' equity		**2,272,150**	2,319,089
Total liabilities and shareholders' equity		**2,322,116**	2,583,963
Nature and continuance of operations	1		

Approved on behalf of the Board of Directors on December 21, 2023:

"Lori Walton" — Director

"Trevor Harding" — Director

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

Taurus Gold Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

For the three months ended October 31, 2023 and October 31, 2022

	Note	**October 31, 2023 $**	October 31, 2022 $
Expenses			
Consulting	7	44,544	2,864
General and administrative		40,686	1,522
Professional fees	7	10,500	209,914
Share-based compensation	6	90,300	262,900
Transfer agent and filing fees		6,833	40,676
Website costs		1,273	688
Loss from operating expenses		**(194,136)**	(518,564)
Other income on settlement of flow-through premium liability	6	53,750	-
Interest income		3,147	-
Interest expense	5	-	(450)
Loss for the year before income taxes		**(137,239)**	(519,014)
Deferred income tax expense (recovery)		-	59,000
Loss and comprehensive loss for the year		**(137,239)**	(460,014)
Loss per share			
Weighted average number of common shares outstanding			
- Basic #	6	**36,797,870**	32,699,947
- Diluted #	6	**36,797,870**	32,699,947
Basic loss per share $	6	**(0.00)**	(0.01)
Diluted loss per share $	6	**(0.00)**	(0.01)

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

Taurus Gold Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited – Prepared by Management)

For the three months ended October 31, 2023 and October 31, 2022

	Common shares \#	Share capital $	Reserves $	Deficit $	Total $
August 1, 2022	28,322,620	1,794,994	-	(500,229)	1,294,765
Private placement - flow-through units - IPO	1,075,000	268,750	-	-	268,750
Private placement - units - IPO	7,240,250	1,448,050	-	-	1,448,050
Flow-through premium	-	(53,750)	-	-	(53,750)
Share-based compensation	-		262,900	-	262,900
Compensation units issued	160,000	(32,000)	32,000	-	-
Compensation warrants issued	-	(81,400)	81,400	-	-
Share issuance costs - cash	-	(240,544)	-	-	(240,544)
Loss and comprehensive loss for the period	-	-	-	(460,014)	(460,014)
October 31, 2022	36,797,870	3,104,100	376,300	(960,243)	2,520,157
August 1, 2023	36,797,870	3,104,100	414,800	(1,199,811)	2,319,089
Share-based compensation	-	-	90,300	-	90,300
Loss and comprehensive loss for the period	-	-	-	(137,239)	(137,239)
October 31, 2023	**36,797,870**	**3,104,100**	**505,100**	**(1,337,050)**	**2,272,150**

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

Taurus Gold Corp.

Condensed Interim Statements of Cash Flows

(Unaudited – Prepared by Management)

For the three months ended October 31, 2023 and October 31, 2022

	Note	**2023** **$**	2022 $
Operating activities			
Loss for the period		(137,239)	(460,014)
Items not involving cash:			
Share-based compensation		90,300	262,900
Unrealized foreign exchange		-	(9,401)
Other income on settlement of flow-through premium liability		(53,750)	-
Deferred income tax expense (recovery)		-	(59,000)
Changes in non-cash working capital items:			
Prepaid expenses		3,950	(31,003)
Sales tax receivable		(8,453)	(11,879)
Accounts payable and accrued liabilities		(2,425)	(34,194)
		(107,617)	(342,591)
Financing activities			
Proceeds from issuance of common shares/units		-	1,716,800
Repayment of promissory notes		-	(140,000)
Share issuance costs		-	(240,544)
		-	1,336,256
Investing activities			
Exploration expenditures		(222,407)	(15,499)
Mineral property acquisition costs		-	(50,000)
		(222,407)	(65,499)
Change in cash		(330,024)	928,166
Cash, beginning of period		623,509	1,194
Cash, end of period		**293,485**	929,360
Supplemental cash flow information	**10**		

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Taurus Gold Corp. (the "Company") was incorporated under the *Business Corporations Act* (Alberta) on March 26, 2019. The registered address, head office, principal address and records office of the Company are located at Suite 600, 815 – 8th Avenue S.W. Calgary, Alberta T2P 3P2. On September 15, 2022, the Company was approved for listing on the CSE under the symbol: TAUR, OTCQB: TARGF.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests.

These financial statements (the "financial statements") are 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 for the foreseeable future. As at October 31, 2023, the Company has recurring losses and has a working capital of $273,713 and a cumulative deficit of $1,337,050. In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares and shareholder advances in the form of unsecured promissory notes for working capital purposes. The Company will continue to require additional funding to maintain its ongoing exploration programs, property maintenance payments and operations and administration for the next fiscal year. The Company also recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the year ended July 31, 2023, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value, and have been prepared using the accrual basis of accounting, except for cash flow information.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgments

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited financial statements and are those the Company expects to adopt in its financial statements for the year ended July 31, 2023. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited financial statements.

4. MINERAL PROPERTY INTERESTS

	Charlotte Project $
Balance, July 31, 2021	**1,542,002**
Drilling	15,452
Geologist and consulting	18,991
Balance, July 31, 2022	**1,576,445**
Acquisition - cash	50,000
Helicopter	4,171
Geologist and consulting	250,784
Balance, July 31, 2023	**1,881,400**
Administrative	5,575
Assays	44,217
Geologist and consulting	43,882
Balance, October 31, 2023	**1,975,074**

Charlotte Property

On August 18, 2020 (the “Effective Date”), the Company entered into an option agreement (“Original Option Agreement”) with 1011308 B.C. Ltd. (“1011308 BC”) to acquire up to a 100% interest in 139 mineral claims in the Mt. Nansen Region West of Carmacks in the south-central Yukon, Canada.

Under the terms of the Original Option Agreement, within 60 days of the Effective Date, the Company was required to satisfy certain obligations preceding the earn-in activity:

- Payment of $250,000 to 1011308 BC (the "Initial Payment"); and
- Issuance of 10,000,000 common shares to 1011308 BC at a price of $0.05 per share (issued at a fair value of $500,000).

Within two years of the Effective Date, the Company was required satisfy certain additional obligations to acquire a 51% interest in the property (the “First Option”):

- Incur $2,000,000 in exploration expenditures on the property; and
- Issuance of 10,000,000 common shares to 1011308 BC.

Within four years of the Effective Date, and subsequent to the Company completing the requirements of the First Option, the Company was required to satisfy certain additional obligations to acquire an additional 25% interest in the property (the “Second Option”):

- Incur an additional $2,000,000 in exploration expenditures on the property; and
- Issuance of 10,000,000 common shares to 1011308 BC.

Within six years of the Effective Date, and subsequent to the Company completing the requirement of the Second Option, the Company was required to satisfy certain additional obligations to acquire the remaining 24% interest in the property (the “Third Option”):

- Incur an additional $2,000,000 in exploration expenditures on the property;
- Issuance of 10,000,000 common shares to 1011308 BC; and
- Delivering a Preliminary Economic Assessment on the property to 1011308 BC.

4. MINERAL PROPERTY INTERESTS (continued)

Under the terms of the Original Option Agreement, certain principals of 1011308 BC retain a 3.0% net smelter return royalty, collectively ("NSR") on any commercial production on the property. In the event that the Company exercised the Third Option, the Company would have had the right to purchase one-third (1.0%) of the NSR for the purchase price of $1,500,000 for a period of 90 days.

The Company issued 7,500,000 common shares to 1011308 BC on August 18, 2020. On October 18, 2020, the Company and 1011308 BC entered into an amending agreement, pursuant to which they agreed to extend the period in which the Company is required to make the Initial Payment to the earlier of (i) five (5) business days following closing of the Offering, and (ii) March 15, 2021. On March 15, 2021, the Company and 1011308 BC entered into a second amending agreement extending the deadline of the Initial Payment to March 15, 2022.

On March 14, 2022, the Company and 1011308 BC entered into an amended and restated option agreement (the "Amended and Restated Option Agreement") amending and restating the terms of the Original Option Agreement. Under the terms of the Amended and Restated Option Agreement, the Company has the right to acquire a 75% earned interest in the Charlotte Property by exercising the first option, with a second option to acquire the remaining 25%. The exercise of the first option is conditional upon the Company: (i) paying to 1011308 BC $50,000 upon the earlier of five (5) business days following completion of the Offering and March 14, 2023; (ii) issuing 30,000,000 Common Shares to 1011308 BC, and (iii) incurring not less than $1,500,000 in expenditures on or before March 14, 2024 (or making the equivalent payment of cash to 1011308 BC in lieu) (the "First Option Expenditure Amount"). For the purposes of the Company's requirement to incur the First Option Expenditure Amount, the Company and 1011308 BC have agreed that the expenditures in the amount of $1,034,835 incurred during the term of the Original Option Agreement shall be included in the calculation of the First Option Expenditure Amount.

Under the terms of the Amended and Restated Option Agreement, the right of the Company to exercise the second option and acquire an additional 25% earned interest (100% total) in the Charlotte Property is conditional upon the Company, on or before March 14, 2026: (i) having exercised the first option and, concurrently with the delivery of the first option exercise notice, delivering written notice of the Company's intention to pursue the second option; (ii) the Company issuing an additional 10,000,000 Common Shares to 1011308 BC; (iii) the Company paying to 1011308 BC $200,000; and (iv) the Company delivering a mineral resource estimate report to 1011308 BC, prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

On May 26, 2022, the Company and the Optionor entered into the Second Amended and Restated Option Agreement, amending and restating the Amended and Restated Option Agreement. Under the terms of the Second Amended and Restated Option Agreement, the Company now has the right to acquire a 51% earned interest in the Charlotte Property by exercising the first option, with a second option to acquire 25% and a third option to acquire the remaining 24%. The exercise of the first option is conditional on the following: (i)The Corporation paying the Optionor $50,000 (the "First Option Payment") (completed) on the earlier of: (i) five (5) Business Days following completion of the Offering, and (ii) the first anniversary of the Second Amended and Restated Option Agreement; (ii)The Corporation issuing 10,000,000 Common Shares to the Optionor; and (iii)The Corporation incurring not less than $1,500,000 in expenditures on or before the second anniversary of the date of the Second Amended and Restated Option Agreement (or making the equivalent payment of cash to the Optionor in lieu) (the "First Option Expenditure Amount").

Under the terms of the Second Amended and Restated Option Agreement, the right of the Company to exercise the second option, on or before the fourth anniversary of the date of the Second Amended and Restated Option, and acquire an additional 25% earned interest (76% total earned interest) in the Charlotte Property is conditional on the following: (i) The Corporation having exercised the first option and, concurrently with the delivery of the first option exercise notice, delivering written notice to the Optionor stating its intention to pursue the second option; (ii)The Corporation issuing to, or as directed by, the Optionor, an additional 10,000,000 Common Shares on or before the fourth anniversary of the date of the Second Amended and Restated Option Agreement; (iii) The Corporation paying the Optionor $200,000 on or before the fourth anniversary of the date of the Second Amended and Restated Option Agreement; and (iv) The Corporation incurring not less than

4. MINERAL PROPERTY INTERESTS (continued)

$1,500,000 in additional expenditures on or before the fourth anniversary of the date of the Second Amended and Restated Option Agreement.

Under the terms of the Second Amended and Restated Option Agreement, the right of the Company to exercise the third option, on or before the sixth anniversary of the date of the Second Amended and Restated Option, and acquire the remaining 24% earned interest (100% total earned interest) in the Charlotte Property is conditional on the following: (i) The Corporation having exercised the second option and, concurrently with the delivery of the second option exercise notice, delivering written notice to the Optionor stating its intention to pursue the third option; (ii) The Corporation issuing to, or as directed by, the Optionor, an additional 10,000,000 Common Shares on or before the sixth anniversary of the date of the Second Amended and Restated Option Agreement; (iii) The Corporation incurring not less than $1,500,000 in additional expenditures on or before the sixth anniversary of the date of the Second Amended and Restated Option Agreement; and (iv)The Corporation delivering the Resource Estimate Report to the Optionor on or before the sixth anniversary of the date of the Second Amended and Restated Option Agreement.

In the event the Company elects to earn less than a 100% interest in the Charlotte Property, the parties have agreed to form a joint venture to further explore and develop the Charlotte Property, all upon and subject to the terms and conditions set out in the Second Amended and Restated Option Agreement.

The Charlotte Property is subject to an existing 3% NSR payable to certain non-arm's length parties of the Corporation and Optionor. The NSR also applies to additional claims staked or otherwise acquired within a five-kilometre radius of the Charlotte Property. In the event that the Corporation exercises the third option pursuant to the Second Amended and Restated Option Agreement, the Company shall have the right to purchase one-third of the NSR by paying $1,500,000.

As at October 31, 2023, amounts included in prepaid exploration which relate to geologist and consulting fees was $23,363 (2022 - $nil).

5. PROMISSORY NOTES PAYABLE

On November 3, 2021, the Company borrowed an aggregate of $45,000 (the "2021 Loans") from certain existing shareholders of the Company, in each case evidenced by the issuance of unsecured, non-convertible promissory notes (each, a "Promissory Note") bearing an interest rate of 1% per month and repayment of the principal amount owing, plus any accrued and unpaid interest, at the earlier of: (i) the Offering, or (ii) November 3, 2022. The lenders are not able to demand repayment of the 2021 Loans before the maturity date, although the Company is permitted to prepay the 2021 Loans in whole or in part without notice or penalty.

During the year ended July 31, 2022, certain shareholders advanced an aggregate of $95,000 under the same terms as the 2021 Loans, with a maturity date of March 11, 2023 (the "2022 Loans", and together with the 2021 Loans, the "Loans"). The Company has issued unsecured, non-convertible promissory notes evidencing the 2022 Loans and has issued amended and restated promissory notes to lenders of the 2021 Loans, as each existing lender advanced additional principal to the Company pursuant to the 2022 Loans. The amended promissory notes also extend the terms of the 2021 Loans to March 11, 2023. The Loans are not convertible into Common Shares or other securities of the Company.

As at October 31, 2023, principal plus accrued interest on the Loans totaled $nil (October 31, 2022 - $nil). All Loans have been repaid as at July 31, 2023.

6. SHAREHOLDERS' EQUITY

The authorized share capital of the Company consists of unlimited common and preferred shares without par value. All issued shares are fully paid.

Issuances of common shares during the period ended October 31, 2022:

- On September 14, 2022, the Company closed its initial public offering ("IPO"), in which it issued 8,315,250 units for total gross proceeds of $1,716,800. The offered units of 7,240,250 non-flow-through units sold at a price of $0.20 per common share unit and 1,075,000 flow-through units sold at a price of $0.25 per flow-through unit. The flow-through units were issued at a premium to the trading value of the Company's common shares, which is a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $53,750 and has been recorded as a reduction of share capital.

  An equivalent flow-through share premium liability had been recorded, which has been reversed pro-rata as the required exploration expenditures have been incurred.

  Each common share unit comprises one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.35 per common share until September 14, 2024. Each flow-through unit comprises one common share, which qualifies as a flow-through share pursuant to the Income Tax Act, and one-half of one warrant. The warrants were issued pursuant to a warrant indenture dated September 14, 2022, between the company and its warrant agent.

  A commission fee and corporate finance fee in cash totaling $240,544 and 160,000 common share units (fair value $32,000). In addition, compensation unit purchase warrants of 665,220 ("Agent Warrants"), with each Agent Warrant entitling the holder to acquire one common share unit at the exercise price of $0.20 for a period of 24 months following the closing date. The fair value of the Agent' Warrants was determined to be $81,400 using the Black-Scholes option pricing model with the following inputs: i) exercise price: $0.20; ii) share price: $0.20; iii) term: 2 year; iv) volatility: 120%; v) discount rate: 2.0%.

Issuances of common shares during the period ended October 31, 2023:

There were no issuances of common shares during the period ended October 31, 2023.

- As at October 31, 2023, the Company has 7,207,501 escrowed securities. Pursuant to the escrowed provisions, 10% of the escrowed securities were released from escrow upon the common shares being listed on the CSE. The remaining 90% of the escrowed securities will be released from escrow in 15% tranches at 6-month intervals thereafter, over a period of 36 months.

6. SHAREHOLDERS' EQUITY (continued)

Stock options

The Company has a stock option plan (the "Stock Option Plan"), whereby it can grant incentive stock options to Directors, Officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company on a non-diluted basis. The number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by any individual may not exceed 5% of the issued common shares. The vesting period for all stock options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares. All stock options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such stock options are granted.

Options

A summary of the status of the Company's Options as at October 31, 2023 and July 31, 2023 and changes during the period/year then ended is as follows:

	Period ended October 31, 2023		Year ended July 31, 2023	
	Options #	Exercise price $	Options #	Exercise price $
Options outstanding, beginning of period/year	1,925,000	0.24	-	-
Granted	750,000	0.20	1,925,000	0.24
Options outstanding, end of period/year	**2,675,000**	**0.23**	1,925,000	0.24

As at October 31, 2023, the Company had options outstanding and exercisable as follows:

Options outstanding #	Exercise price $	Expiry date	Remaining life (years)
1,625,000	0.25	September 14, 2027	3.88
300,000	0.17	December 27, 2027	4.16
750,000	0.20	September 1, 2028	4.84
2,675,000			

On September 14, 2022, the Company granted 1,625,000 stock options with an exercise price of $0.25 and a term of two years expiring on September 14, 2024. These options granted had a fair value of $262,900 using the Black-Scholes option pricing model with the following assumptions: (i) exercise price of $0.25, (ii) term of 2 years, (iii) expected volatility of 120%, and (iv) discount rate of 2.0%.

On December 27, 2022, the Company granted 300,000 stock options with an exercise price of $0.17 and a term of five years expiring on December 27, 2027. These options granted had a fair value of $38,500 using the Black-Scholes option pricing model with the following assumptions: (i) exercise price of $0.17, (ii) term of 5 years, (iii) expected volatility of 120%, and (iv) discount rate of 3.25%.

On September 1, 2023, the Company granted 750,000 stock options with an exercise price of $0.20 and a term of five years expiring on September 1, 2028. These options granted had a fair value of $90,300 using the Black-Scholes option pricing model with the following assumptions: (i) exercise price of $0.20, (ii) term of 5 years, (iii) expected volatility of 120%, and (iv) discount rate of 2.0%.

6. SHAREHOLDERS' EQUITY (continued)

Warrants

A summary of the status of the Company's warrants as at October 31, 2023 and July 31, 2023 and changes during the period/year then ended is as follows:

	Period ended October 31, 2023		Year ended July 31, 2023	
	Warrants #	Exercise price $	Warrants #	Exercise price $
Warrants outstanding, beginning of period/year	7,402,845	0.25	2,500,000	0.10
Issued - compensatory warrants	-	-	665,220	0.20
Issued - warrants	-	-	4,237,625	0.35
Warrants outstanding, end of period/year	**7,402,845**	**0.25**	7,402,845	0.25

As at October 31, 2022, the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Exercise price $	Expiry date	Remaining life (years)
2,500,000	0.10	March 26, 2024	0.40
3,620,125	0.35	September 14, 2024	0.87
537,500	0.35	September 14, 2024	0.87
665,220	0.20	September 14, 2024	0.87
80,000	0.35	September 14, 2024	0.87
7,402,845			

On September 14, 2022, the Company issued 665,220 compensation warrant. The warrants were exercisable into a non-flow-through unit at a price of $0.20 and had an expiration date of September 14, 2024. The warrants were fair valued at $81,400 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.20, expected life of 2 years, expected volatility of 120%, no dividend yield and a risk-free discount rate of 2.0%.

Loss per share

The calculation of basic and diluted loss per share for the period ended October 31, 2023 was based on the net loss of $137,239 (2022 – $460,014) and a weighted average number of common shares outstanding of 36,797,870 (2021 – 32,699,947).

All warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of its Executive Officers and Directors. Other related parties to the Company include companies in which key management have control or significant influence. Key management personnel receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company.

During the period October 31, 2023, 750,000 stock options were granted to a Director having a fair value on grant of $90,300 recognized as share-based payment expense during the period then ended.

Key management compensation

Transactions with key management during the three months ended October 31, 2023:

- $30,000 in consulting fees was paid or accrued to the Chief Executive Officer and Director of the Company; and
- $10,500 in professional fees was paid or accrued to a company in which the Chief Financial Officer of the Company exerts significant influence.

Transactions with key management during the three months ended October 31, 2022:

- $15,000 in consulting fees was paid or accrued to the Chief Executive Officer and Director of the Company; and
- $9,000 in professional fees was paid or accrued to a company in which the Chief Financial Officer of the Company exerts significant influence.

As at October 31, 2023, $4,633 (July 31, 2023 - $7,580) is owing to key management and included in accounts payable and accrued liabilities.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

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

Level 2 - inputs other than quoted prices included 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).

Cash, under the fair value hierarchy is based on Level 1 quoted prices in active markets for identical assets or liabilities.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2023, the Company had a cash balance of $293,485 to settle current liabilities of $49,966. All of the Company's financial liabilities have contractual maturities of less than one year or due on demand and are subject to normal trade terms. The Company will need to raise money through debt or equity issuances.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. Such fluctuations may be significant.

i. Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risks on cash are not considered significant.

ii. Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at October 31, 2023, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from July 31, 2023.

10. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred non-cash financing and investing activities during the three months ended October 31, 2023, and October 31, 2022 as follows:

	October 31, 2023	October 31, 2022
	$	$
Non-cash financing activities:		
Recognition of flow-through premium liability	-	53,750
Compensation warrants	-	113,400
	-	167,150
Non-cash investing activities:		
Mineral property costs included in accounts payable and accrued liabilities	158,733	7,716
	158,733	7,716

During the period ended October 31, 2023, and October 31, 2022 no amounts were paid on behalf of interest or income tax.