Taurus Gold Corp.

Financial Statements

July 31, 2024

(Expressed in Canadian Dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Taurus Gold Corp.

Opinion

We have audited the financial statements of Taurus Gold Corp. (the "Company"), which comprise the statement of financial position as at July 31, 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that as at July 31, 2024, the Company's current liabilities exceeded its current assets by $87,695 and, as of that date, the Company's total deficit was $1,686,194. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The financial statements of Taurus Gold Corp. for the year ended July 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on November 28, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to be communicated in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANT
1111-1100 Melville Street
Vancouver, BC V6E 4A6

November 27, 2024

Taurus Gold Corp.

Statements of Financial Position

(Expressed in Canadian Dollars)

As at July 31, 2024 and 2023

	Note	**July 31, 2024 $**	July 31, 2023 $
Assets			
Current assets			
Cash		10,062	623,509
Sales tax receivable		5,360	21,218
Prepaid expenses		5,859	4,473
		21,281	649,200
Non-current assets			
Prepaid exploration expenditures	4	23,363	53,363
Mineral property interests	4	2,010,447	1,881,400
		2,033,810	1,934,763
Total assets		**2,055,091**	2,583,963
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	7	108,976	211,124
Flow-through liability	6	-	53,750
		108,976	264,874
Shareholders' equity			
Share capital	6	3,104,100	3,104,100
Reserves	6	528,209	414,800
Deficit		(1,686,194)	(1,199,811)
Total shareholders' equity		**1,946,115**	2,319,089
Total liabilities and shareholders' equity		**2,055,091**	2,583,963
Nature and continuance of operations	1		
Events after the reporting period	12		

Approved on behalf of the Board of Directors on November 27, 2024:

"Lori Walton" — Director

"Trevor Harding" — Director

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

Taurus Gold Corp.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the years ended July 31, 2024 and 2023

	Note	July 31, 2024 $	July 31, 2023 $
Expenses			
Consulting	7	212,301	15,258
General and administrative		75,301	28,227
Professional fees	7	95,505	356,784
Share-based compensation	6	113,409	301,400
Transfer agent and filing fees		45,952	85,913
Travel expenses		287	-
Website costs		2,885	2,938
Loss from operating expenses		**(545,640)**	**(790,520)**
Gain on settlement of flow-through premium liability	6	53,750	-
Interest income		5,507	4,987
Forgiveness of interest payable		-	9,401
Interest expense	5	-	(450)
Loss for the year before income taxes		**(486,383)**	**(776,582)**
Deferred income tax recovery		-	77,000
Loss and comprehensive loss for the year		**(486,383)**	**(699,582)**
Loss per share			
Weighted average number of common shares outstanding			
- Basic #	6	**36,797,870**	**35,773,389**
- Diluted #	6	**36,797,870**	**35,773,389**
Basic loss per share $	6	**(0.01)**	**(0.02)**
Diluted loss per share $	6	**(0.01)**	**(0.02)**

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

Taurus Gold Corp.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

For the years ended July 31, 2024 and 2023

	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	-	-	301,400	-	301,400
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 year	-	-	-	(699,582)	(699,582)
July 31, 2023	**36,797,870**	**3,104,100**	**414,800**	**(1,199,811)**	**2,319,089**
August 1, 2023	36,797,870	3,104,100	414,800	(1,199,811)	2,319,089
Share-based compensation	-	-	113,409	-	113,409
Loss and comprehensive loss for the year	-	-	-	(486,383)	(486,383)
July 31, 2024	**36,797,870**	**3,104,100**	**528,209**	**(1,686,194)**	**1,946,115**

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

Taurus Gold Corp.

Statements of Cash Flows

(Expressed in Canadian Dollars)

For the years ended July 31, 2024 and 2023

		2024	2023
		$	$
Operating activities			
Loss for the year		(486,383)	(699,582)
Items not involving cash:			
Share-based compensation		113,409	301,400
Forgiveness of interest payable		-	(9,401)
Gain on settlement of flow-through premium liability		(53,750)	-
Deferred income tax recovery		-	(77,000)
Changes in non-cash working capital items:			
Sales tax receivable		15,858	570
Prepaid expenses		(1,386)	(2,045)
Accounts payable and accrued liabilities		53,015	(36,266)
		(359,237)	(522,324)
Financing activities			
Proceeds from issuance of common shares/units, net share issuance costs		-	1,476,256
Repayment of promissory notes		-	(140,000)
		-	1,336,256
Investing activities			
Exploration expenditures		(254,210)	(88,254)
Prepaid exploration expenditures		-	(53,363)
Mineral property acquisition costs		-	(50,000)
		(254,210)	(191,617)
Change in cash		(613,447)	622,315
Cash, beginning of year		623,509	1,194
Cash, end of year		**10,062**	623,509
Supplemental cash flow information	**11**		

The accompanying notes are an integral part of these 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 commenced trading 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 July 31, 2024, the Company has recurring losses and has a working capital deficiency of $87,695 (2023 – working capital of $384,326) and a cumulative deficit of $1,686,194 (2023 - $1,199,811). In addition, the Company has not generated revenues from operations. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. To date, 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 financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

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

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.

Use of estimates and judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

2. BASIS OF PREPARATION (continued)

Estimates

(i) Recorded costs of flow-through share premium liabilities reflect the premium received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainly and requires the Company to assess the value of non-flow through shares. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability.

(ii) The determination of the fair value of stock options using pricing models requires the input of highly subjective variables, including expected price volatility, discount rates and forfeiture rates. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and agents' warrants.

Judgments

(i) Recorded costs of mineral property interests and deferred exploration and evaluation costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty, and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount. Management is required, at each reporting period, to review its mineral property interests for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(iii) Management's assessment that the Company's working capital is sufficient for the Company to continue as a going concern beyond one year is subject to judgment (note 1). Expenditures on mineral property interests are largely discretionary based on available funds from recent equity financings or other sources. While the Company is not in a positive working capital position, the Company has been successful in the past in raising equity capital. Management cannot provide assurance that the Company will be able to continue to raise additional equity capital on favorable terms.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Adoption of new accounting standards

Certain pronouncements have been issued by the IASB that are effective for the Company's accounting periods beginning on or after August 1, 2023. The following pronouncement is of the most significance:

- In February 2021, the IASB issued Amendments to IAS 1 and IFRS Practice Statement 2 to provide guidance to help entities apply materiality judgment to accounting policy disclosure. The amendments require disclosure of material accounting policy information rather than disclosing significant accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Company has reviewed the other updates and determined that they do not have a material impact on the Company's financial statements.

Exploration and evaluation assets

<u>Pre-exploration costs</u>

Pre-exploration costs are expensed in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs. Expenditures are classified as intangible assets.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that do not affect either accounting or taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Flow-through shares

The Company expects to finance a portion of its exploration activities through financings in which flow-through common shares are issued. These shares transfer the tax deductibility of qualifying resource expenditures to investors. At the time of closing a financing involving flow-through shares, the Company will allocate the gross proceeds received (i.e. the "flow-through commitment") as follows:

- Share capital;
- Warrant reserve; and

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Flow-through shares (continued)

- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature.

As qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets.

At the end of each reporting period, the Company will review its tax position and record an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time (before or after the end of the reporting period). Additionally, the Company will reverse the liability for the flow-through share premium to other income as the expenditures are incurred.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements will be the more easily measurable component and will be valued at their fair value, as determined by the closing quoted bid price on the issuance date. The residual balance, if any, will be allocated to the attached warrants. Any fair value attributed to the warrants will be recorded as reserves.

Earnings (loss) per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For periods in which the Company reports a loss, this calculation proves to be anti-dilutive.

Basic earnings (loss) per share is calculated using the weighted-average number of shares outstanding during the period.

Provision for environmental rehabilitation

The Company will recognize the fair value of a liability for the provision for environmental rehabilitation in the year in which it is incurred when a reliable estimate of fair value can be made. The carrying amount of the related long-lived asset will be increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense through profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

As at July 31, 2024 and 2023, there was no material provision for environmental rehabilitation.

Share-based payments

The Company grants stock options to acquire common shares of the Company 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments (continued)

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves is transferred to deficit. The Company estimates a forfeiture rate and will adjust the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment based on the fair market value of when the shares are issued. Otherwise, share-based payments are measured at the fair value of goods or services received.

Financial instruments

Classification

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

Measurement

i. Financial assets and liabilities at FVTPL and FVOCI

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit and loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss). Elected investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss). Cash is measured at FVTPL.

ii. Financial assets and liabilities at amortized cost

A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL, are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable and accrued liabilities is measured at amortized cost.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

iii. Impairment of financial assets at amortized cost

The Company recognizes on a forward-looking basis the expected credit losses ("ECL") model on financial assets that are measured at amortized cost, contract assets and debt instruments carried at FVOCI.

At each reporting date, the Company measures the ECL for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the ECL for the financial asset at an amount equal to twelve month expected credit losses. The Company applies the simplified method and measures a loss allowance equal to the lifetime expected credit losses for trade receivables.

The Company recognizes in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. The loss allowance was $nil as at July 31, 2024 and 2023.

Impairment of non-financial assets at amortized cost

At the end of each reporting period, the carrying amounts of the Company's non-financial assets, including exploration and evaluation assets, are reviewed to determine whether there is any indication the assets are impaired. The Company uses external factors, such as changes in expected future prices, costs and other market factors to assess for indication of impairment. If any such indication exists an estimate of the asset's recoverable amount is calculated, being the higher of fair value less direct costs to sell and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged to the consolidated statements of loss and comprehensive loss so as to reduce the carrying amount in the consolidated statements of financial position to its recoverable amount.

Fair value is determined as the amount that would be obtained from the sale of assets in an arm's length transaction between knowledgeable and willing parties. Fair values for mineral assets are generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset to arrive at a net present value of the asset.

Value-in-use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and in its eventual disposal. Value-in-use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups and referred as to cash generating units. Cash generating units are the smallest identifiable group of assets, liabilities, and associated goodwill that generate cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS

	Charlotte Project $
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	11,705
Assays	44,236
Geologist and consulting	73,106
Balance, July 31, 2024	**2,010,447**

Charlotte Property

On August 18, 2020 (the "Effective Date"), the Company entered into an option agreement (the "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 11, 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 an 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 an additional amending option agreement (the "Second Amended and Restated Option Agreement"), which amended and restated 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 Company 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 Company issuing 10,000,000 common shares to the Optionor; and (iii) the Company 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 (May 26, 2026) 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 Company 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 Company 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 Company 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 Company incurring not less than $1,500,000 in additional expenditures on or before the fourth anniversary of the date of the Second Amended and Restated Option Agreement.

4. MINERAL PROPERTY INTERESTS (continued)

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 (May 26, 2028) 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 Company 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 Company 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 Company 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 Company 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.

5. PROMISSORY NOTES PAYABLE

In November 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) an offering, or (ii) November 3, 2022.

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 were not convertible into common shares or other securities of the Company.

As at July 31, 2024, principal plus accrued interest on the Loans totaled $nil (July 31, 2023 - $nil). All of the Loans were 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 year ended July 31, 2023:

- 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.

  During the year ended July 31, 2024, the Company recorded a gain on settlement of flow through premium liability of $53,750 (July 31, 2023 - $nil) as the required exploration expenditures were 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 flow-though common share, and one-half of a warrant. The warrants were issued pursuant to a warrant indenture dated September 14, 2022, between the company and its warrant agent.

(Expressed in Canadian Dollars)

6. SHAREHOLDERS' EQUITY (continued)

Issuances of common shares during the year ended July 31, 2023 (continued)**:**

The Company incurred 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's 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 year ended July 31, 2024:

There were no new common shares issued during the year ended July 31, 2024.

Escrow shares

- As at July 31, 2024, the Company has 5,405,626 escrowed securities (July 31, 2023 – 9,009,376). 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.

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.

A summary of the Company's options as at July 31, 2024 and 2023 and changes during the year then ended is as follows:

	Year ended July 31, 2024		Year ended July 31, 2023	
	Options #	Exercise price $	Options #	Exercise price $
Options outstanding, beginning of year	1,925,000	0.24	-	-
Granted	1,650,000	0.20	1,925,000	0.24
Options outstanding, end of year	**3,575,000**	**0.22**	1,925,000	0.24

As at July 31, 2024, the Company had options outstanding and exercisable as follows:

Outstanding #	Price $	Exercisable #	Expiry date	Remaining life (years)
1,625,000	0.25	1,625,000	September 14, 2027	3.12
300,000	0.17	300,000	December 27, 2027	3.41
750,000	0.20	750,000	September 1, 2028	4.09
900,000	0.20	225,000	February 7, 2029	4.53
3,575,000	0.22	**2,900,000**		3.70

(Expressed in Canadian Dollars)

6. **SHAREHOLDERS' EQUITY** (continued)

Stock options (continued)

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%.

On February 7, 2024, the Company granted 900,000 stock options with an exercise price of $0.20 and a term of five years expiring on February 7, 2029. These options granted had a fair value of $46,000 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 3.57%. The options vest as follows: (i) 25% three months from the date of grant; (ii) 25% six months from the date of grant; (iii) 25% nine months from the date of grant; and (iv) 25% twelve months from the date of grant.

Warrants

A summary of the Company's warrants as at July 31, 2024 and 2023 and changes during the year then ended is as follows:

	Year ended July 31, 2024		Year ended July 31, 2023	
	Warrants #	Exercise price $	Warrants #	Exercise price $
Warrants outstanding, beginning of 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
Expired - compensatory warrants	(2,500,000)	0.10	-	-
Warrants outstanding, end of year	**4,902,845**	**0.33**	7,402,845	0.25

As at July 31, 2024, the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Exercise price $	Expiry date	Remaining life (years)
3,620,125	0.35	September 14, 2024	0.12
537,500	0.35	September 14, 2024	0.12
665,220	0.20	September 14, 2024	0.12
80,000	0.35	September 14, 2024	0.12
4,902,845			

6. **SHAREHOLDERS' EQUITY** (continued)

Warrants (continued)

On September 14, 2022, the Company issued 665,220 compensation warrants. 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: (i) stock price of $0.20, (ii) expected life of 2 years, (iii) expected volatility of 120%, (iv) no dividend yield and (v) risk-free discount rate of 2.0%.

Subsequent to the year ended July 31, 2024, all 4,902,845 of the warrants expired unexercised.

Loss per share

The calculation of basic and diluted loss per share for the year ended July 31, 2024 was based on the net loss of $486,383 (2023 – $699,582) and a weighted average number of common shares outstanding of 36,797,870 (2023 – 35,773,389).

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.

Key management compensation

Transactions with key management during the year ended July 31, 2024:

- $165,000 in consulting fees was paid or accrued to the Chief Executive Officer and Director of the Company;
- $46,239 in professional fees was paid or accrued to a company in which the Chief Financial Officer of the Company exerts significant influence; and
  $110,201 in share-based compensation was recognized on the grant of 1,525,000 stock options to directors and officers.

Transactions with key management during the year ended July 31, 2023:

- $7,621 in consulting fees was paid or accrued to the Chief Executive Officer and Director of the Company;
- $63,779 in consulting fees was paid or accrued to the Chief Executive Officer and Director of the Company; and
- $46,996 in professional fees was paid or accrued to a company in which the Chief Financial Officer of the Company exerts significant influence.

As at July 31, 2024, $31,356 (July 31, 2023 - $7,580) is owing to key management and included in accounts payable and accrued liabilities. Amounts are unsecured, non-interest bearing and have no terms of repayment.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

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.

Risk management

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

<u>Credit risk</u>

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. 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.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2024, the Company had a cash balance of $10,062 (July 31, 2023 - $623,509) to settle current liabilities of $108,976 (July 31, 2023 - $264,874). 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 capital through debt or equity issuances (note 1).

<u>Market risk</u>

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and foreign exchange rates. 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 and accounts payable and accrued liabilities that are denominated in a foreign currency. As at July 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

(Expressed in Canadian Dollars)

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, 2024.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the year ended July 31, 2024, and 2023, is as follows:

	July 31, 2024 $	July 31, 2023 $
Loss for the year before income taxes	(486,383)	(776,582)
Statutory Canadian corporate tax rate	23.00%	23.00%
Expected income tax expense (recovery)	(112,000)	(179,000)
Change in tax resulting from:		
Permanent differences	14,000	70,000
Share issuance costs	-	(55,000)
Impact of flow-through shares	62,000	-
Change in recognized deductible temporary differences and other	36,000	87,000
Total deferred income tax expense (recovery)	-	(77,000)

Significant components of the Company's net deferred tax assets (liabilities) are as follows:

	July 31, 2024 $	July 31, 2023 $
Mineral property interests	-	-
Non-capital losses carried forward	229,000	120,000
Share issuance costs	33,000	44,000
Exploration and evaluation assets	(261,000)	-
Unrecognized deferred income tax assets	(1,000)	(164,000)
Net deferred income tax liability	**-**	-

As at July 31, 2024, the Company has non-capital loss carry forwards of approximately $995,000 (July 31, 2023 – $521,000).

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

(Expressed in Canadian Dollars)

11. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred non-cash financing and investing activities during the year ended July 31, 2024 and 2023 as follows:

	July 31, 2024 $	July 31, 2023 $
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	11,381	166,544
	11,381	166,544

During the year ended July 31, 2024, and 2023, no amounts were paid for interest or income tax.

12. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end, the Company completed a non-brokered private placement of units issuing 920,000 units at a price of $0.05 per unit for gross proceeds of $46,000. Each unit consists of one common share of the Company and on-half common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share for a period of 2 years at an exercise price of $0.10.