Golden Spike Resources Corp.

Consolidated Financial Statements

For the Year Ended August 31, 2024

(Expressed in Canadian dollars)

Golden Spike Resources Corp.

For the Year Ended August 31, 2024

Independent Auditor's Report

To the Shareholders of Golden Spike Resources Corp.

Opinion

We have audited the consolidated financial statements of Golden Spike Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit 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 2 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Other Information

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

Our opinion on the 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 identified above 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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 consolidated financial statements of the current period 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 David Goertz.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 13, 2024

Golden Spike Resources Corp.
Consolidated Statements of Financial Position
As at August 31,
(Expressed in Canadian Dollars)

		2024		2023
Assets				
Current				
Cash	$	265,349	$	168,393
Sales tax receivable		46,952		19,857
Prepaid expenses		92,113		8,652
		404,414		196,902
Exploration and Evaluation Assets (notes 7 and 8)		4,430,328		4,105,144
	$	4,834,742	$	4,302,046
Liabilities and Shareholders' Equity				
Current				
Accounts payable	$	56,253	$	13,033
Accrued liabilities		40,000		47,662
		96,253		60,695
Shareholders' Equity				
Share Capital (note 9)		5,931,296		4,941,255
Reserves (note 9)		1,841,436		1,514,781
Deficit		(3,034,243)		(2,214,685)
		4,738,489		4,241,351
	$	4,834,742	$	4,302,046

Going Concern (note 2)
Subsequent Events (note 11)

Approved on behalf of the Board:

"Keith Anderson" ……………………………… Director Keith Anderson

"Robert Cinits" ……………………………… Director Robert Cinits

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

Golden Spike Resources Corp.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended August 31,
(Expressed in Canadian Dollars)

	2024	2023
Expenses		
Consulting fees (note 8)	$ 254,800	$ 272,000
Office and general	15,469	26,727
Professional fees (note 8)	129,707	176,875
Rent	-	2,500
Share-based compensation (notes 8 and 9)	331,383	227,762
Shareholder communications and promotion	36,088	243,611
Transfer agent and filing fees	49,298	104,387
Travel	-	21,910
Loss Before Other Item	(816,745)	(1,075,772)
Other Item		
Loss on settlement of debt (note 9(b))	(2,813)	-
Net Loss and Comprehensive Loss	$ (819,558)	$ (1,075,772)
Basic and Diluted Loss Per Share	$ (0.02)	$ (0.03)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	40,226,696	34,835,616

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

Golden Spike Resources Corp.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	**Share Capital**	**Reserves**	**Deficit**	**Total**
Balance, August 31, 2022	**33,600,000**	**$ 4,448,755**	**$ 1,287,019**	**$ (1,138,913)**	**$ 4,596,861**
Shares issued for exploration and evaluation assets	2,500,000	492,500	-	-	492,500
Stock options granted	-	-	227,762	-	227,762
Net loss and comprehensive loss	-	-	-	(1,075,772)	(1,075,772)
Balance, August 31, 2023	**36,100,000**	**4,941,255**	**1,514,781**	**(2,214,685)**	**4,241,351**
Private placement	8,116,666	941,000	-	-	941,000
Share issuance costs	-	(10,513)	4,513	-	(6,000)
Stock options granted	-	-	331,383	-	331,383
Shares issued on exercise of warrants	50,000	2,500	-	-	2,500
Fair value transferred on exercise of warrants	-	9,241	(9,241)	-	-
Shares issued on settlement of debt	562,500	47,813	-	-	47,813
Net loss and comprehensive loss	-	-	-	(819,558)	(819,558)
Balance, August 31, 2024	**44,829,166**	**$ 5,931,296**	**$ 1,841,436**	**$ (3,034,243)**	**$ 4,738,489**

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

Golden Spike Resources Corp.
Consolidated Statements of Cash Flows
For the Years Ended August 31,
(Expressed in Canadian Dollars)

		2024		2023
Operating Activities				
Net loss for the year	$	(819,558)	$	(1,075,772)
Items not involving cash				
Loss on settlement of debt		2,813		-
Share-based compensation		331,383		227,762
Changes in non-cash working capital				
Sales tax receivable		(27,095)		12,063
Prepaid expenses		(83,461)		5,719
Accounts payable and accrued liabilities		42,382		23,245
Cash Used in Operating Activities		(553,536)		(806,983)
Investing Activity				
Exploration and evaluation asset expenditures		(287,008)		(531,625)
Cash Used in Investing Activity		(287,008)		(531,625)
Financing Activities				
Shares issued for cash		943,500		-
Share issuance costs		(6,000)		-
Cash Provided by Financing Activities		937,500		-
Net Change in Cash		96,956		(1,338,608)
Cash, Beginning of Year		168,393		1,507,001
Cash, End of Year	$	265,349	$	168,393
Non-cash Transactions and Supplemental Disclosures				
Shares issued for exploration and evaluation assets	$	-	$	492,500
Fair value of agent compensation warrants included in share issuance costs	$	4,513	$	-
Fair value transferred on exercise of warrants	$	9,241	$	-
Increase (decrease) in exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	$	38,177	$	(121,643)

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

1. NATURE OF OPERATIONS

Golden Spike Resources Corp. (the "Company") is an exploration stage company incorporated on January 14, 2020 under the laws of the province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in Canada. The Company's head office and principal business address is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6. The Company's registered and records office is 1000 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. On September 13, 2021, the Company's shares began trading on the Canadian Securities Exchange ("CSE") under the trading symbol "GLDS". The Company's shares also trade on the OTCQB in the United States under the symbol "GSPRF" and on the Frankfurt Börse Exchange in Germany under the symbol "L5Y".

2. GOING CONCERN

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments may be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

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

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on December 13, 2024.

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value, as explained in the material accounting policies (note 4). These consolidated financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

3. BASIS OF PREPARATION (Continued)

c) Basis of presentation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Golden Horizon Exploration Corp. ("Golden Horizon"), incorporated in British Columbia, for the periods presented. Intercompany balances and transactions are eliminated in preparation of the Company's consolidated financial statements.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies have been applied consistently throughout by the Company for purposes of these consolidated financial statements.

a) Exploration and evaluation assets

i) Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and amortization 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 year in which they occur.

Mining exploration tax credits for certain exploration expenditures are treated as a reduction of the exploration and development costs of the respective resource property. The amounts are recorded in the year they are received.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures that would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

a) Exploration and evaluation assets (continued)

i) Exploration and evaluation expenditures (continued)

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 and evaluation assets.

Exploration and evaluation assets are classified as intangible.

ii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through amortization of the asset and unwinding of the discount on the provision.

Amortization is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset and charged against operating profit or loss. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

b) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at every reporting period. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and at least annually. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive income/loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

c) Financial instruments

Financial instruments are accounted for in accordance with IFRS 9 *Financial Instruments: Classification and Measurement*.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	**Classification**
Cash	Fair value through profit or loss (“FVTPL”)
Accounts payable	Amortized cost

Financial assets
On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition, except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income/loss.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

Financial liabilities
Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost, except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

c) Financial instruments (continued)

Fair value hierarchy
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 within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

d) Income taxes

Income tax expense, consisting of current and deferred tax expense, is recognized in the consolidated statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Share capital

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

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted the residual method with respect to the measurement of shares and warrants issued as private placement units. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve.

The fair value of the common shares is based on the closing quoted bid price on the announcement date. The fair value attributed to the warrants is recorded in equity reserves.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) Earnings (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

g) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in share-based payments reserve. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in share-based payments reserve is transferred to share capital.

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

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. The amounts recorded in reserves for unexercised share options remain in share-based payments reserve upon their expiry or cancellation.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

h) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Upon issuance, the Company bifurcates the flow-through share into: (i) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and (ii) share capital. Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the investors. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

i) Accounting standards adopted during the year

Disclosure of Accounting Policies (Amendments to International Accounting Standard ("IAS") 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgments*)

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on September 1, 2023. These amendments have reduced the disclosure of accounting policies for the Company.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*)

These amendments clarify how companies account for deferred taxes on transactions, such as leases and decommissioning obligations, with a focus on reducing diversity in practice. They narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

These amendments to IAS 12 are effective for years beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on September 1, 2023. These amendments did not have a material impact on the Company's consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

i) Accounting standards adopted during the year (continued)

Amendments to IAS 8 Definition of Accounting Estimates

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* was amended in February 2021. The IASB issued "Definition of Accounting Estimates" to help entities distinguish between accounting policies and accounting estimates.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company adopted these amendments for the reporting period beginning on September 1, 2023. These amendments did not have a material impact on the Company's consolidated financial statements.

j) Accounting standards issued but not yet effective

The Company has not yet adopted certain standards, interpretations to existing standards and amendments that have been issued, but have an effective date of later than August 31, 2024. These updates are not expected to have a significant impact on the Company.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

These amendments to IAS 1 are effective for years beginning on or after January 1, 2024. These amendments are expected to have no impact for the Company.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position and cash flows, as well as additional disclosures to improve transparency and comparability.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change if the change affects that year only, or in the year of the change and future years if the change affects both.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next fiscal year are discussed below.

a) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

b) Going concern risk assessment

The assessment of the Company's ability to continue as a going concern requires significant judgment. The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

c) Title to mineral property interests

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.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the consolidated financial statements.

a) Recoverability of exploration and evaluation assets

The Company has determined that exploration, evaluation and related costs incurred, which have been capitalized, may have future economic benefits and may be economically recoverable. The Company uses several criteria in its assessment of economic recoverability and probability of future economic benefits, including geologic and other technical information.

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty (continued)

b) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made that management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at August 31, 2024, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

c) Fair value of stock options granted

The Company uses the Black-Scholes Option Pricing Model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as FVTPL; and accounts payable, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

August 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 265,349	$ -	$ -	$ 265,349

August 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 168,393	$ -	$ -	$ 168,393

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (Continued)

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of August 31, 2024 equal $96,253 (2023 - $60,695). All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) Currency risk – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant exchange risk on its financial instruments at year-end.

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

6. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (Continued)

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended August 31, 2024. The Company is not subject to externally imposed capital requirements.

7. EXPLORATION AND EVALUATION ASSETS

Gregory River Property

The Company, through Golden Horizon, acquired 100% of the interest in the Gregory River Property, a mineral exploration property located in Newfoundland. Under the terms of the option agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Pay $20,000 upon signing (paid);
- Issue 1,000,000 common shares of the Company on or before the earlier of: (i) the listing of Golden Horizon's common shares on the CSE, and (ii) December 31, 2022 (issued on September 19, 2022); and
- Pay $45,000 (paid) and issue an additional 1,500,000 common shares (issued on June 22, 2023) on or before the earlier of: (i) the first anniversary of the listing of Golden Horizon's common shares on the CSE; and (ii) June 30, 2023.

Gregory River Property (continued)

The Company was also required to incur exploration expenditures on the Gregory River Property as follows:

- $75,000 on or before January 1, 2022 (incurred); and
- An additional $200,000 on or before December 31, 2022 (incurred).

The property is subject to a 2% net smelter return royalty ("NSR"). The Company has the right to purchase one-half of the NSR from the optionors at any time for $1,500,000.

During the year ended August 31, 2024, the Company staked additional claims for the Gregory River Property.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (Continued)

A summary of exploration and evaluation expenditures for the years ended August 31, 2024 and 2023 is as follows:

	Gregory River Property
Balance, August 31, 2022	**$ 3,202,662**
Acquisition Costs	
Acquisition	537,500
Total Acquisition Costs	**537,500**
Exploration Costs	
Geological (Note 8)	259,715
Geophysical	105,267
Total Exploration Costs	**364,982**
Balance, August 31, 2023	**4,105,144**
Acquisition Costs	
Acquisition	4,325
Total Acquisition Costs	**4,325**
Exploration Costs	
Geological and other (Note 8)	168,858
Geophysical	120,404
Geochemistry	31,597
Total Exploration Costs	**320,859**
Balance, August 31, 2024	**$ 4,430,328**

8. RELATED PARTY TRANSACTIONS

The Company considers its directors and executive officers to be key management personnel. These amounts of key management compensation are included in the amounts shown on the consolidated statements of loss and comprehensive loss:

	Year Ended August 31, 2024	Year Ended August 31, 2023
Short-term compensation (consulting fees, professional fees and geological fees)	$ 210,000	$ 210,000
Share-based compensation	$ 174,343	$ 160,049

9. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value

b) Issued and outstanding

As at August 31, 2024, there were 44,829,166 (2023 - 36,100,000) issued and outstanding common shares.

As at August 31, 2024, there were 315,000 (2023 - 945,000) shares held in escrow. Pursuant to the terms of the escrow agreement dated August 6, 2021, the remaining escrow shares will be released on September 10, 2024.

During the year ended August 31, 2024

On December 5, 2023, the Company closed a private placement of 3,950,000 units a price of $0.08 per unit for gross proceeds of $316,000. Each unit consists of one common share and one-half of one warrant. Each whole warrant is exercisable at a price of $0.10 for a period of two years. The Company paid finder's fees of $4,800 and issued 60,000 finder's warrants valued at $3,492 (note 9(c)). Each finder's warrant is exercisable at a price of $0.10 for a period of two years.

On December 6, 2023, the Company entered into a debt settlement arrangement with an arm's length third party, pursuant to which the Company issued 562,500 common shares at a price of $0.08 per share to settle total indebtedness of $45,000. The fair value of the common shares issued based on the trading price at date of issue was $47,813 resulting in a loss on settlement of debt of $2,813.

On June 21, 2024, the Company closed a private placement of 4,166,666 units a price of $0.15 per unit for gross proceeds of $625,000. Each unit consists of one common share and one-half of one transferable warrant. Each whole transferable warrant is exercisable at a price of $0.30 for a period of two years. The Company paid finder's fees of $1,200 and issued 8,000 finder's warrants valued at $1,021 (note 9(c)). Each finder's warrant is exercisable at a price of $0.30 for a period of two years.

During the year ended August 31, 2024, the Company issued 50,000 common shares on the exercise of 50,000 warrants for gross proceeds of $2,500.

During the year ended August 31, 2023

On September 19, 2022, the Company issued 1,000,000 common shares with a fair value of $200,000, as per the Gregory River Property option agreement (note 7).

On June 22, 2023, the Company issued 1,500,000 common shares with a fair value of $292,500, as per the Gregory River Property option agreement (note 7).

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Year Ended August 31, 2024		**Year Ended August 31, 2023**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	10,640,000	$ 0.24	10,640,000	$ 0.24
Granted	4,126,333	$ 0.20	-	-
Exercised	(50,000)	$ 0.05	-	-
Expired	(3,540,000)	$ 0.46	-	-
Outstanding, end of year	11,176,333	$ 0.15	10,640,000	$ 0.24

The following warrants were outstanding and exercisable at August 31, 2024:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**August 31, 2024**
November 26, 2024	0.24	$ 0.05	3,450,000
May 6, 2025	0.68	$ 0.30	1,000,000
May 13, 2025	0.70	$ 0.30	1,100,000
June 3, 2025	0.76	$ 0.05	1,500,000
December 5, 2025	1.26	$ 0.10	2,035,000
June 21, 2026	1.81	$ 0.30	2,091,333
	0.87		11,176,333

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for its warrants granted. Accordingly, share issuance costs of $4,513 (2023 - $nil) upon the grant of 68,000 finder's warrants were recognized during the year ended August 31, 2024.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Warrants (continued)

The fair value of finder warrant granted was calculated using the following weighted average assumptions:

	Year Ended August 31, 2024	**Year Ended August 31, 2023**
Expected life (years)	2.00	N/A
Risk-free interest rate	4.05%	N/A
Annualized volatility	165%	N/A
Dividend yield	Nil	N/A
Stock price at grant date	$0.09	N/A
Exercise price	$0.12	N/A
Weighted average grant date fair value	$0.07	N/A

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility and the volatility of a comparable company to estimate the volatility of the share price.

d) Stock options

The Company has adopted a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Year Ended August 31, 2024		**Year Ended August 31, 2023**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	2,450,000	$ 0.21	600,000	$ 0.10
Granted	1,950,000	$ 0.20	1,850,000	$ 0.25
Outstanding, end of year	4,400,000	$ 0.21	2,450,000	$ 0.21

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

d) Stock options (continued)

The following stock options were outstanding and exercisable at August 31, 2024:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**August 31, 2024**
March 17, 2026	1.54	$ 0.10	600,000
December 6, 2027	3.27	$ 0.25	1,850,000
July 16, 2029	4.88	$ 0.20	1,550,000
August 14, 2029	4.96	$ 0.20	400,000
	3.75		4,400,000

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for its options granted. Accordingly, share-based compensation expense of $331,383 (2023 - $227,762) was recognized during the year ended August 31, 2024.

The fair value of each option granted was calculated using the following weighted average assumptions:

	Year Ended August 31, 2024	**Year Ended August 31, 2023**
Expected life (years)	5.00	5.00
Risk-free interest rate	3.23%	3.00%
Annualized volatility	144%	99%
Dividend yield	N/A	N/A
Stock price at grant date	$0.19	$0.175
Exercise price	$0.20	$0.25
Weighted average grant date fair value	$0.17	$0.12

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility and the volatility of a comparable company to estimate the volatility of the share price.

(Expressed in Canadian Dollars)

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year Ended August 31, 2024	Year Ended August 31, 2023
Loss before income taxes	$ 819,558	$ 1,075,772
Statutory income tax rate	27%	27%
Income tax benefit computed at statutory tax rate	(221,000)	(290,000)
Permanent difference and other	89,000	63,000
Impact of flow-through shares	-	76,000
Share issuance costs	(4,000)	-
Other	11,000	-
Unrecognized benefit of deferred income tax assets	125,000	151,000
Income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred income tax assets and deferred income tax liabilities are presented below:

	Year Ended August 31, 2024	Year Ended August 31, 2023
Non-capital losses carried forward	$ 546,000	$ 411,000
Exploration and evaluations assets	(33,000)	(21,000)
Share issuance costs	13,000	11,000
	526,000	401,000
Unrecognized deferred income tax assets	(526,000)	(401,000)
Net deferred income tax assets	$ -	$ -

The Company has non-capital losses of $2,033,000 available for carry-forward to reduce future years' income for income tax purposes. The losses expire from 2040 to 2044.

11. SUBSEQUENT EVENTS

a) On October 8, 2024, the Company closed a brokered private placement of 8,000,000 flow-through units at a price of $0.23 per flow-through unit for gross proceeds of $1,840,000. Each flow-through unit is comprised of one common share and one-half of one common share purchase warrant. Each whole flow-through warrant is exercisable at a price of $0.33 for a period of 24 months.

   In connection with the brokered private placement, the Company paid $106,020 cash in finder's fees and issued 460,957 non-transferable compensation warrants. Each compensation warrant is exercisable at a price of $0.23 for a period of 36 months.

11. SUBSEQUENT EVENTS (Continued)

a) (continued)

On October 8, 2024, the Company also closed the first tranche of a non-brokered private placement of 2,787,500 non-flow-through units at a price of $0.20 per non-flow-through unit for gross proceeds of $557,500. Each non-flow-through unit is comprised of one common share and one-half of one common share purchase warrant. Each whole non-flow-through warrant is exercisable at a price of $0.30 for a period of 24 months.

In connection with the non-brokered private placement, the Company paid $16,200 cash in finder's fees and issued 81,000 finder's warrants. Each finder's warrant is exercisable at a price of $0.30 for a period of 24 months.

b) On November 1, 2024, the Company closed the second tranche of a non-brokered private placement of 1,125,000 non-flow-through units at a price of $0.20 per non-flow-through unit for gross proceeds of $225,000. Each non-flow-through unit is comprised of one common share and one-half of one common share purchase warrant. Each whole non-flow-through warrant is exercisable at a price of $0.30 for a period of 24 months.

   In connection with the non-brokered private placement, the Company paid $1,500 cash in finder's fees and issued 7,500 finder's warrants. Each finder's warrant is exercisable at a price of $0.30 for a period of 24 months.

c) Subsequent to August 31, 2024, the Company received $105,250 on the exercise of 2,105,000 warrants.

d) Subsequent to August 31, 2024, 1,345,000 warrants expired unexercised.