MILITARY METALS CORP.
(formerly X1 Entertainment Group Inc.)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MILITARY METALS CORP. (FORMERLY X1 ENTERTAINMENT GROUP INC.)

Opinion

We have audited the consolidated financial statements of Military Metals Corp. (formerly X1 Entertainment Group Inc.) and its subsidiaries (the "Company"), which comprise:

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at August 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("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 *Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss from continuing operations of $707,041 during the year ended August 31 2024 and, as of that date, the Company had an accumulated deficit of $8,173,308. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended August 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 auditors' report.

VANCOUVER
1700–475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

LANGLEY
600–19933 88 Ave
Langley, BC V2Y 4K5
T: 604 282 3600
F: 604 357 1376

NANAIMO
201–1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' 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 Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
December 20, 2024

MILITARY METALS CORP.
(formerly X1 Entertainment Group Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT AUGUST 31,

		2024		2023
ASSETS				
Current				
Cash	$	3,022,192	$	8,359
Accounts receivable		31,131		11,753
		3,053,323		20,112
Mineral property (Note 4)		599,933		-
	$	3,653,256	$	20,112
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current				
Accounts payable and accrued liabilities (Note 12)	$	383,313	$	406,956
Loans payable (Notes 8 and 12)		-		143,339
Convertible debentures (Note 9)		454,907		-
		838,220		550,295
Shareholders' equity (deficiency)				
Share capital (Note 11)		10,771,310		6,962,999
Obligation to issue shares (Note 20)		15,000		-
Equity portion of convertible debentures (Note 9)		47,872		-
Reserves (Note 11)		229,681		794,365
Accumulated other comprehensive loss		(75,519)		(26,915)
Deficit		(8,173,308)		(8,260,632)
		2,815,036		(530,183)
	$	3,653,256	$	20,112

Approved and authorized by the Board on December 20, 2024.

"Latika Prasad" Director *"Scott Eldridge"* Director

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

MILITARY METALS CORP.
(formerly X1 Entertainment Group Inc.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED AUGUST 31,

	2024	2023
EXPENSES		
Accretion expense (Note 9)	$ 39,894	$ -
Advertising and promotion	-	18,363
Business development	60,000	170,000
Consulting (Note 12)	179,700	346,790
Directors' fees (Note 12)	60,000	45,000
Foreign exchange	1,408	8,645
Insurance	-	81,468
Interest expense (Notes 8 and 9)	21,620	5,420
Investor relations	-	134,840
Listing fee	36,998	31,284
Office and miscellaneous	43,750	60,145
Professional fees	178,411	129,079
Salaries and wages	-	200,960
Share-based compensation (Notes 11 and 12)	111,454	639,514
Shareholder communications and filing fees	9,665	32,792
Technology marketing and web development	5,000	288,421
Transfer agent	24,977	15,379
Loss from operations	(772,877)	(2,208,100)
Dissolution of subsidiaries	56,129	-
Consideration payable recovery (Note 5)	-	60,366
Interest income	5,718	-
Loss on sale of domain name (Note 5)	-	(230,877)
Loss on settlement (Note 9)	3,989	-
Recovery of accounts payable	-	31,670
Net loss for the year from continuing operations	(707,041)	(2,346,941)
Net loss for the year from discontinued operations (Note 19)	-	(1,064,094)
OTHER COMPREHENSIVE INCOME (LOSS)		
Foreign exchange gain (loss) on translating foreign operations	7,525	(10,269)
Comprehensive loss for the year	$ (699,516)	$ (3,421,304)
Basic and diluted loss per common share from continuing operations	$ (0.05)	$ (0.25)
Basic and diluted loss per common share from discontinued operations	$ -	$ (0.11)
Weighted average number of common shares outstanding*	14,273,912	9,515,501

*Share amounts have been updated to reflect the share consolidation – refer to Note 11.

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

MILITARY METALS CORP.
(formerly X1 Entertainment Group Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED AUGUST 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year from continuing operations	$ (707,041)	$ (2,346,941)
Non-cash items:		
Accretion expense	39,894	-
Accrued interest expense	21,620	5,420
Consideration payable recovery	-	(60,366)
Dissolution of subsidiaries	(56,129)	-
Impairment of domain name	-	230,877
Loss on convertible debenture settlements	(3,989)	-
Recovery of accounts payable	-	(31,670)
Share-based compensation	111,454	639,514
Unrealized foreign exchange	(103)	102
Changes in non-cash working capital items:		
Accounts receivable	(19,378)	20,366
Prepaid expenses	-	513,082
Accounts payable and accrued liabilities	(23,643)	361,569
Net cash used in operating activities from continuing operations	(637,315)	(668,047)
Net cash generated by (used in) operating activities from discontinued operations	7,525	(827,341)
	(629,790)	(1,495,388)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of ShiftRLE	-	(32,777)
Acquisition of Octane	-	(57,194)
Acquisition of Manson Bay	(240,337)	-
Net cash used in investing activities from continuing operations	(240,337)	(89,971)
Net cash used in investing activities from discontinued operations	-	(131,110)
	(240,337)	(221,081)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placements	3,500,000	-
Warrants exercised	73,566	-
Convertible debentures	353,894	-
Obligation to issue shares	15,000	-
Share issuance costs	(58,500)	-
Loan funds	-	137,817
Net cash generated by financing activities from continuing operations	3,883,960	137,817
Net cash used in financing activities from discontinued operations	-	(37,220)
	3,883,960	100,597
Change in cash for the year	3,013,833	(1,615,872)
Cash, beginning of year	8,359	1,624,231
Cash, end of year	$ 3,022,192	$ 8,359

Supplemental disclosures with respect to cash flows (Note 13).

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

MILITARY METALS CORP.
(formerly X1 Entertainment Group Inc.)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share Capital							
	Number*	**Amount**	**Obligation to Issue Shares**	**Equity Portion of Convertible Debentures**	**Reserves**	**Accumulated Other Comprehensive Loss**	**Deficit**	**Total**
Balance, August 31, 2022	9,515,501	$ 6,962,999	$ -	$ -	$ 384,397	$ (16,646)	$ (5,079,143)	$ 2,251,607
Forfeited options	-	-	-	-	(229,546)	-	229,546	-
Share-based compensation	-	-	-	-	639,514	-	-	639,514
Comprehensive loss for the year	-	-	-	-	-	(10,269)	(3,411,035)	(3,421,304)
Balance, August 31, 2023	9,515,501	6,962,999	-	-	794,365	(26,915)	(8,260,632)	(530,183)
Private placements	19,142,857	3,500,000	-	-	-	-	-	3,500,000
Shares issued for mineral property	1,000,000	359,596	-	-	-	-	-	359,596
Exercise of warrants	735,656	73,566	-	-	-	-	-	73,566
Issuance of convertible debentures	943,192	51,876	-	47,872	-	-	-	99,748
Obligation to issue shares	-	-	15,000	-	-	-	-	15,000
Share issuance costs	-	(176,727)	-	-	118,227	-	-	(58,500)
Cancelled and forfeited options	-	-	-	-	(794,365)	-	794,365	-
Share-based compensation	-	-	-	-	111,454	-	-	111,454
Dissolution of subsidiaries	-	-	-	-	-	(56,129)	-	(56,129)
Comprehensive loss for the year	-	-	-	-	-	7,525	(707,041)	(699,516)
Balance, August 31, 2024	31,337,206	$ 10,771,310	$ 15,000	$ 47,872	$ 229,681	$ (75,519)	$ (8,173,308)	$ 2,815,036

*On November 6, 2023, the Company completed a share consolidation on the basis of 1 new common share for 5 old common shares – refer to Note 11. For accounting purposes, recognition of the share consolidation has been made retroactively such that all share and per share numbers have been adjusted to reflect the share consolidation.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Military Metals Corp. (formerly X1 Entertainment Group Inc.) (with its subsidiaries, collectively, the “Company” or “Military”) is a mineral exploration company that is primarily engaged in the acquisition and exploration of mineral properties. Military was incorporated under the *Business Corporations Act* (British Columbia) on January 9, 2020. The Company maintains its registered office at Royal Centre, 1500 – 1055 West Georgia Street, PO Box 11117, Vancouver, British Columbia, Canada V6E 4N7. The Company’s principal place of business is 615 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. On August 19, 2024, the Company completed its change of business (“COB”) to a mineral exploration company and changed its name from “X1 Entertainment Group Inc.” to “Military Metals Corp”. Military was previously a portfolio company that had targeted assets across gaming, esports, media, and entertainment industries.

The Company trades on the Canadian Securities Exchange (“CSE”) under the symbol “MILI”. The Company is also listed on the OTCQX under the symbol “MILIF” and Frankfurt Stock Exchange (“FSE”) under the symbol “QN90”. On November 6, 2023, the Company completed a share consolidation on the basis of 1 new common share for 5 old common shares. For accounting and presentation purposes, recognition of the share consolidation has been made retroactively such that all share and per share numbers have been adjusted to reflect the share consolidation.

On August 4, 2022, the Company completed the acquisition of the issued and outstanding membership interests of Tyrus, LLC. On October 19, 2022, Tyrus was renamed to ‘X1 Talent Corp.’ (“X1 Talent”). On April 6, 2023, the Company announced the wind-down of X1 Talent Corp. operations.

On August 10, 2022, the Company completed the asset purchase agreement to acquire the assets of ShiftRLE (“Shift”). On September 28, 2022, the Company completed the asset purchase agreement to acquire the assets of Octane.GG (“Octane”). The assets of Octane were incorporated into the Shift platform after acquisition. On March 17, 2023, the Company sold the consolidated assets of Shift (Note 5).

In the year ended August 31, 2023, the Company ceased operations of Rix.GG Europe Ltd. (“Rix”) which holds and operates its esports franchise. The Company discontinued operations of its Esports segment (consisting of Forward Agency Ltd., Mechanics Agency Ltd., and Rix.GG Europe Ltd.) and Talent Management segment (consisting of X1 Talent Corp.) (Note 19). During the year ended August 31, 2024, the Company dissolved Forward Agency Ltd., Mechanics Agency Ltd., and X1 Talent Corp. Subsequent to the year ended August 31, 2024, the Company dissolved Rix.GG Europe Ltd.

During the year ended August 31, 2024, the Company completed its transaction with SKRR Exploration Inc. (“SKRR”) on the Manson Bay Project (Note 4).

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company reported a net loss from continuing operations for the year ended August 31, 2024 of $707,041 (2023 - $2,346,941) and at that date had an accumulated deficit of $8,173,308 (2023 - $8,260,632). The Company will need to raise additional funds in the short term to continue to be able to operate, meet its commitments and execute on its acquisitions as it moves towards profitable operations. Although the Company has been able in the past to obtain financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis as issued by the International Accounting Standards Board ("IASB"), which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The functional currency of the parent company is the Canadian dollar.

Subsidiary	Functional Currency	Jurisdiction
Forward Agency Ltd.(1)	UK Pound Sterling	England and Wales
Mechanics Agency Ltd.(1)	UK Pound Sterling	England and Wales
Rix.GG Europe Ltd.(2)	Euro	Malta
X1 Talent Corp. (formerly Tyrus, LLC)(3)	US dollar	United States

(1) Dissolved on August 27, 2024

(2) Dissolved on November 27, 2024

(3) Dissolved on December 1, 2023

All material intercompany transactions have been eliminated upon consolidation. A subsidiary is an entity over which the Company has control, where control indicates exposure or rights to variable returns and the ability to affect those returns through power over the investee.

Use of judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2. BASIS OF PREPARATION (cont'd…)

Use of judgments and estimates (cont'd…)

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- Business combinations

  Judgment is used in determining who is the acquiror and whether an acquisition is a business combination or an asset acquisition. The assessment required management to assess the relative ownership interests pursuant to the transaction and the inputs, processes and outputs of the entity or assets being acquired at the time of acquisition. The acquisition of Octane was considered to be an asset acquisition (Note 5).

- Functional currency determination

  The functional currency of the Company and its subsidiaries is the currency of their respective primary economic environment, and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

- Intangible assets and goodwill impairment testing

  Factors which could indicate impairment include significant underperformance of an asset relative to historical or projected operating results, significant changes in the manner in which in asset is used, and significant negative industry or economic trends.

  The Company tests goodwill and indefinite lived intangible assets for impairment on an annual basis. The recoverable amount of the cash-generating unit ("CGU") is determined based on value-in-use calculations which require the use of assumptions. An impairment loss is recognized for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell or value-in-use.

- Recognition of revenue on a gross versus net basis

  Customer contracts are evaluated to determine whether the Company acts as the principal or agent under the specific terms of each arrangement. To the extent that the Company acts as the principal in an arrangement, revenues are reported on a gross basis; revenue and expenses are recognized in their respective consolidated financial statement line items. If the Company acts as the agent, revenues are reported on a net basis; revenues are presented net of any direct expenses to service the contract.

  Determination of principal or agent classification is based on an evaluation of whether the nature of the Company's promise is a performance obligation to provide specific goods or services to the customer (principal), or to arrange for those services to be provided to the customer by a third party (agent). The most significant factor for the Company's analysis is to consider whether the Company is primarily responsible for fulfilling the promise to provide the specified good or service.

2. BASIS OF PREPARATION (cont'd…)

Use of judgments and estimates (cont'd…)

The key areas of estimate applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Identification and valuation of intangible assets

  In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, management develops the fair value using appropriate valuation techniques which are based on a forecast of the total expected future net cash flows. In determining the fair value of the intangible assets at the acquisition date, the Company's significant assumptions include the future net cash flows, attrition rates and the discount rate applied.

- Recovery of capitalized mineral property costs

  The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

- Share-based payments

  The fair value of non-cash compensation which may impact the value of assets acquired and goodwill in a business combination at acquisition dates or the fair value of employee share-based compensation is limited by the Black-Scholes option pricing model and fair value estimates that incorporate market data involving uncertainty in estimates used by management. The Black-Scholes option pricing model has subjective assumptions including the expected volatility of the Company's share price, expected exercise dates and forfeiture rates.

- Contingent consideration

  Estimates are made in determining the fair value of contingent consideration. Management exercises judgment in estimating the probability and timing of when future cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss.

- Non-monetary transactions

  The Company measures an asset exchanged or transferred in non-monetary transactions at the more reliably measurable of the fair value of the asset given up and the fair value of the asset received.

- Convertible debentures

  Convertible debentures are separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue is determined based on the estimated borrowing rate for a similar instrument without the conversion feature, which is subject to measurement uncertainty.

- Share restrictions

  Share restrictions are estimated using an option model to estimate the discount related from the contractual restriction.

3. MATERIAL ACCOUNTING POLICIES

Mineral property

Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as non-current assets, whereas exploration and evaluation expenditures are recognized as expenses as they are incurred during the year.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all non-recoverable costs associated with the project net of any impairment provisions are written off.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss. The Company’s cash is recorded at FVTPL as they meet the required criteria.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as fair value through profit and loss: 1) the Company’s objective for these financial assets is to collect their contractual cash flows, and 2) the asset’s contractual cash flow represents solely payments of principal and interest.

Fair value through other comprehensive income ("OCI")

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. The Company does not have any financial assets designated as FVOCI.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities, loans payable, and convertible debentures.

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.

Impairment of financial instruments

The Company recognizes a loss allowance on a forward-looking basis at an amount equal to the lifetime expected credit loss ("ECL") on its trade receivables.

ECLs on trade receivables are calculated based on the expected credit loss for clients according to an aging analysis. When determining ECLs, the Company considers the historic credit losses observed by the Company, customer-specific payment history, and economic conditions. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience, informed credit assessment and forward-looking information.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 60 days past due.

Impairment losses on trade receivables are recorded to the statement of loss and comprehensive loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

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 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 the asset or liability that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy is cash. The carrying values approximate their fair values due to the short-term maturity of these instruments.

Convertible debentures are measured under level 2 of the fair value hierarchy.

There were no movement between fair value levels during the years ended August 31, 2024 and 2023.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Impairment of non-financial assets

The carrying amounts of intangible assets with finite useful lives are reviewed at the end of each reporting period to determine whether there are any indicators of impairment. Indicators of impairment may include a significant decline in asset market value, material adverse changes in the external operating environment which affect the manner in which the asset is used or is expected to be used, obsolescence, or legal impairment of the asset. If any such indicators exist, then the recoverable amount of the asset is estimated. Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually or whenever there is an indicator that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the CGU to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. Impairment of goodwill cannot be reversed.

Share capital

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on estimated fair value of the common shares at the time the units are issued, and any excess is allocated to warrants.

Shares issued as consideration for goods or services provided to those other than employees or others providing similar services are measured at the fair value of the goods or services received, except where the fair value cannot be measured reliably, in which case they are measured at the fair value of the equity instruments granted.

Share-based payments

The Company has a stock option plan as described in Note 11(d). Share-based payments to employees are measured at the fair value of the instruments issued using the Black-Scholes option pricing model and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserves.

Consideration received on the exercise of stock options is recorded as share capital and the related reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from reserve. For those unexercised options that expire, the recorded value is transferred to deficit.

Discontinued operations

A discontinued operation is a component of the Company that either has been abandoned, disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operation; and (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Business combinations

On the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value of the date of acquisition. Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustment to those provisional fair values effective as at the acquisition date. Incremental costs related to acquisitions are expensed as incurred. When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, *Financial Instruments*, or IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of shares outstanding in the period. For all periods presented, the loss available to common shareholders equals the reported loss. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effects of including all outstanding options and warrants would be anti-dilutive. Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Revenue recognition

The Company reviews its revenue streams and major contracts with customers using the IFRS 15, *Revenue from Contracts with Customers,* five step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price, which is the total consideration provided by the customer;
- Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- Recognize revenue when the relevant criteria are met for each performance obligation.

(a) Prize money

The Company generates revenue through participation in esport tournaments. These arrangements predominantly contain a single performance obligation and revenue is recognized at a single point in time when the performance obligation is achieved, which is typically the date of the Company's esport player placing in an esport tournament. Prize money has been recorded on a gross basis as the Company has contractual agreements with the esport player to exclusively participate under the Rix brand, which includes a buyout clause if the player was to be sold to another esport company.

(b) Player transfers

The Company generates revenue through the sale of esport player contracts to other esport companies. The Company's performance obligations are defined in each agreement with its customers. The transaction prices allocated to performance obligations are set out in each agreement as a fixed fee for the performance obligation rendered. Performance obligations typically include the transfer of the esport player and a fixed fee based on the esport player's participation in a later esport event. Transaction prices are recognized as revenue in the period when the performance obligation has been satisfied and collection is reasonably assured.

(c) Talent fees

The Company receives talent fees revenue for representing talent which is recognized over the service period.

(d) Content revenue

Revenue from content contracts whereby the Company facilitates influencer and content creator services for customers are recognized over the period during which services are performed.

The Company performed an agent versus principal analysis to determine if content revenue is to be recorded on a net or gross basis. There is a two-step process in determining if a company is acting as a principal or agent in a contract with a customer:

1. Identify the specified goods or services to be provided to the customer; and
2. Assess whether it controls each specified good or service before that good or service is transferred to the customer using the following guidelines:
    a. The Company has a primary responsibility for fulfilling the promise to provide the specified goods or services to the customer;
    b. The Company has inventory risk before the specified good or service has been transferred to a customer, or after transfer of control to a customer; and
    c. The Company has discretion in establishing the price for the specified good or service.

The Company determined it is acting as an agent and should record revenue on a net basis.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Revenue Recognition (cont'd…)

(e) Royalties from in-game purchases

The Company receives royalty revenue from in-game purchases on Rix based items in the Rocket League game. Revenue is recognized in the period when the purchase was made.

(f) Merchandise sales

The Company generates revenue through the sale of Rix branded merchandise and is recognized when the goods are transferred to the customer.

4. MANSON BAY PROJECT

On February 7, 2024, the Company entered into a definitive asset purchase agreement (the "Manson Bay Agreement") with SKRR, an unrelated party, pursuant to which the Company has agreed to acquire 100% legal and beneficial interest in thirteen contiguous mineral claims totaling 4,293 hectares in the province of Saskatchewan, known as the Manson Bay Project ("Manson Bay") for a consideration of 1,000,000 common shares in the capital of the Company. The price of each common share was based on the date of issuance of $0.57 resulting in a total value of consideration shares issued of $570,000 prior to the estimated fair value discount. Additionally, the Company incurred $240,337 in related acquisition costs. During the year ended August 31, 2024, the Company incurred $nil in exploration expenses.

The allocation of consideration transferred of the 1,000,000 common shares (the "SKRR Shares") is summarized as follows:

Purchase Price		
1,000,000 shares at $0.57	$	570,000
Acquisition costs		240,337
Fair value discounted adjustment on the 1,000,000 common shares[(1)]		(210,404)
Total consideration after discount	$	599,933

(1) The SKRR Shares are subject to contractual resale restrictions that result in 50% of the SKRR Shares being released 4 months following the closing date, 25% being released 6 months following the closing date, and the remaining 25% being released 8 months following the closing date. The value of the SKRR Shares is estimated using an option model to estimate the discount related from the contractual restriction. The following assumptions were used in the option model: share price of $0.57, expected life of 1 year, expected volatility of 149%, risk free interest rate of 3.44%, and a dividend yield of 0%.

Pursuant to the terms and conditions of the Manson Bay Agreement, the Company has agreed to acquire (i) 100% of SKRR's rights, title, and interest in the Property, and (ii) all data and information in the possession of SKRR with respect to Manson Bay and the activities conducted thereon (the "Data and Information", and together with Manson Bay, the "Purchased Assets").

A third party will receive a 2% net smelter return ("NSR"), subject to a buydown to 1% at the option of the Company by paying the third party $1,000,000 in cash, pursuant to the terms and conditions of a previous acquisition agreement.

The Company's acquisition of the Purchased Assets (the "Manson Bay Transaction") was subject to a number of customary conditions including, but not limited to, meeting all conditions required by the CSE to receive approval of the Transaction. The Company received final approval during the year ended August 31, 2024.

During the year ended August 31, 2024, the Company received shareholder approval for the Manson Bay Transaction and the COB at the annual general and special meeting of shareholders.

(Expressed in Canadian Dollars)

4. MANSON BAY PROJECT (cont'd…)

The completion of the Manson Bay Transaction was the final conversion condition for the Company's previously issued special warrants (the "Special Warrants"). The Special Warrants converted into units of the Company ("Units") on August 22, 2024. Each Unit consists of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to acquire one additional Common Share (a "Warrant Share") at a price of $0.30 per Warrant Share for a period of 24 months from the date of issuance. No finder's fees were paid in connection with the Transaction.

5. SHIFTRLE AND OCTANE.GG

On September 28, 2022, the Company completed an asset purchase agreement ("APA") to acquire the assets of Octane. Octane is an online statistical and news outlet focused on the popular video game Rocket League. Under the concentration test of IFRS 3, *Business Combination,* the transaction was determined to be an asset acquisition with substantially all of the fair value attributable to the domain name of Octane as the purchased assets are concentrated in the domain name of Octane and therefore not a business pursuant to the concentration test.

Pursuant to the APA, the Company acquired 100% of the assets comprising Octane and have the benefit of ongoing services by the key personnel of Shift for an aggregate price of US$35,000 in cash payments, due within 45 days of closing (fully paid).

The following table summarizes the consideration paid and payable and asset acquired under the APA:

Consideration and intangible asset acquired:		
Cash (US$35,000 fully paid)	$	47,509
Transaction costs		14,225
Value of Domain Name	$	61,734

The assets of Octane were incorporated into the Company's Shift platform after acquisition. Shift is an online news outlet focused on the popular video game Rocket League.

In the year ended August 31, 2023, the Company entered into an agreement to sell the assets of Shift, inclusive of Octane.gg, in exchange for the vendors, and ongoing service providers, forgoing any termination payments in connection with their consulting agreements at a fair value of US$35,250 ($48,412) in accordance with Level 3 of the fair value hierarchy. Consequently, the Company has recognized an impairment against domain name assets of $230,877 and recovery of consideration payable on earnout payments of $60,366 in the year ended August 31, 2023.

(Expressed in Canadian Dollars)

6. INTANGIBLE ASSETS

	Domain Name	Customer Relationships	Total
Cost			
Balance, August 31, 2022	$ 217,555	$ 109,302	$ 326,857
Acquisition (Note 5)	61,734	-	61,734
Disposal (Notes 5 and 19)	(279,289)	-	(279,289)
Impairment	-	(109,302)	(109,302)
Balance, August 31, 2023 and 2024	$ -	$ -	$ -
Accumulated amortization			
Balance, August 31, 2022	$ -	$ 4,631	$ 4,631
Amortization (Note 19)	-	14,312	14,312
Impairment (Notes 5 and 19)	-	(18,943)	(18,943)
Balance, August 31, 2023 and 2024	$ -	$ -	$ -
Net book value			
Balance, August 31, 2023	$ -	$ -	$ -
Balance, August 31, 2024	$ -	$ -	$ -

During the year ended August 31, 2023, the Company determined indicators of impairment existed with respect to the customer relationships in X1 Talent leading to a test of a recoverable amount, which resulted in an impairment expense of $109,302 in accordance with Level 3 of the fair value hierarchy.

During the year ended August 31, 2023, the Company recognized a loss on sale of domain name of $230,877, after selling Shift for $48,412 (Note 5).

7. GOODWILL

Goodwill	
Balance, August 31, 2022	281,014
Impairment (Note 19)	(281,014)
Balance, August 31, 2023 and 2024	$ -

The Company performs an impairment test annually on August 31 each year or at each reporting date, if there is an indication of impairment. The recoverable amount of goodwill is determined based on the greater of the value in use and the fair value less costs to sell of the Company's cash generating unit. For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating units which represent the lowest level within the Company at which goodwill is monitored for internal management purposes, which is not higher than the Company's operating segments.

Goodwill impairment testing is based on a value in use ("VIU") approach and is completed for the X1 Talent CGU. The recoverable amount is determined by management's experience and future expectations of the business performance are used to make a best estimate of the expected revenue and cash flows for a four-year period. The revenue growth rate in that period is based upon management's current and long-term forecasts and is a key driver within the test. The recoverable amount was estimated using annual revenue growth rates averaging 5%. A discount rate was applied of 12%.

(Expressed in Canadian Dollars)

7. GOODWILL (cont'd…)

Other key assumptions in the analysis, include the discount and terminal growth rate. The discount rate applied in the model is a pre-tax rate that reflects the time value of money and risk associated with the business. The terminal growth rate of 5% is based on the long-term growth prospects of the business beyond a five-year term. The Company determined indicators of impairment existed with respect to goodwill leading to an impairment charge, which resulted in an impairment expense of $281,014 in accordance with Level 3 of the fair value hierarchy recognized in the year ended August 31, 2023. Ongoing challenges in X1 Talent persisted and culminated in the Company winding down operations of X1 Talent during the year ended August 31, 2023.

8. LOANS PAYABLE

With the acquisition of X1 Talent, the Company assumed a loan payable to a third party of $36,180 (US$27,595). The loan was non-interest bearing and repaid during the year ended August 31, 2023.

During the year ended August 31, 2023, the Company received loans from a third party and a director of the Company. The interest on the principal amount was at a rate of 10% per annum and the amounts are due on demand. The loans were settled during the year ended August 31, 2024, through the issuance of convertible debentures (Note 9).

Loans payable		
Balance, August 31, 2022	$	36,180
Foreign exchange		102
Funds received		137,817
Funds repaid		(36,180)
Interest expense		5,420
Balance, August 31, 2023	$	143,339
Foreign exchange		(103)
Settlement (Note 9)		(146,106)
Interest expense		2,870
Balance, August 31, 2024	$	-

9. CONVERTIBLE DEBENTURES

5% Convertible debentures		
Principal amount: $500,000		
Proceeds	$	500,000
Equity component of convertible debentures		(47,872)
Conversion into common share units - principal (Note 11)		(50,000)
Conversion into common share units - interest (Note 11)		(1,876)
Loss on settlement		(3,989)
Accretion expense		39,894
Accrued interest payable		18,750
Balance, August 31, 2024	$	454,907

On November 15, 2023, the Company completed a non-brokered private placement of unsecured convertible debentures ("Debentures") for gross proceeds of $500,000 (the "Offering"). A portion of the Offering, $146,106, was completed through the distribution of Debentures in settlement of existing loans (Note 8).

The Debentures mature on the date (the "Maturity Date") that is 12 months from the date of issuance (the "Closing Date"). The principal amount of Debentures may be converted into Units of the Company (a "Debenture Unit"), in whole or in part, at the option of the holder, at any time following the Closing Date but on or before the Maturity Date, into Units at a price of $0.055 per Unit (such date of conversion being referred to herein as the "Conversion Date").

(Expressed in Canadian Dollars)

9. CONVERTIBLE DEBENTURES (cont'd…)

The Debentures bear interest at a rate of 5.0% per annum from the Closing Date, payable on the earlier of the Maturity Date or the Conversion Date. The Company has the right to pay all accrued and unpaid interest either in cash or in Units at a price of $0.055 per Unit, in its sole discretion, and on the Maturity Date also has the right to convert the principal amount of the Debentures into Units rather than repay in cash.

Each Unit will consist of one common share (a "Share") and one Share purchase warrant (a "Convertible Warrant"). Each Convertible Warrant will entitle the holder thereof to acquire one additional Share at a price of $0.055 per Convertible Warrant Share for a period of 24 months from the date of issuance.

For accounting purposes, the Debentures are separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue is determined based on discounting the expected cash flows at an estimated rate of 17.50% for debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value of the convertible debenture and the fair value of the liability component. After initial recognition, the liability component is carried on an amortized cost basis and will be accreted to its face value over the term to maturity of the convertible debentures at an effective rate of 17.50%.

During the year ended August 31, 2024, the Company incurred interest expense of $18,750 and accretion expense of $39,894 on the convertible debentures, which has been recorded on the consolidated statement of loss and comprehensive loss. As at August 31, 2024, the Company settled $51,876 in convertible debentures, of which, $50,000 represented the principal value and $1,876 in accrued interest, through the issuance of common share units.

10. ACQUISITION CONSIDERATION

The following details the balances of acquisition consideration payments due related to the X1 Talent and Shift acquisitions in the year ended August 31, 2023:

Opening liability, August 31, 2022	$	224,254
Payable (paid) pursuant to X1 Talent acquisition		(131,110)
Payable (paid) pursuant to Shift acquisition		(32,778)
Fair value of Shift Earnout payment(1)		(60,366)
Balance, August 31, 2023 and 2024	$	-

(1) The fair value of the Earnout payment is the present value of the estimated revenue share relative to forecasted revenue anticipated to be earned within the earnout period. During the year ended August 31, 2023, Shift generated revenue of $nil, which resulted in no earnout payout; further, the Company entered into an agreement to sell the assets of Shift (Note 5) which curtails any possibility of future earnings and reduces the earn-out payment estimation to $nil.

11. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

On November 6, 2023, the Company completed a share consolidation on the basis of 1 new common share for 5 old common shares. For accounting and presentation purposes, recognition of the share consolidation has been made retroactively such that all share and per share numbers have been adjusted to reflect the share consolidation.

b) Issued share capital

Year ended August 31, 2024

On January 25, 2024, the Company completed a non-brokered private placement of 7,142,857 Units at a price of $0.07 for gross proceeds of $500,000. Each Unit is comprised of one common share in the capital of the Company and one share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional Share at a price of $0.10 per Warrant Share for a period of 24 months from the date of closing.

On June 6, 2024, the Company issued 300,000 common shares from warrant exercises for gross proceeds of $30,000.

On June 7, 2024, the Company issued 214,228 common shares from warrant exercises for gross proceeds of $21,423.

On June 11, 2024, the Company issued 71,428 common shares from warrant exercises for gross proceeds of $7,143.

On August 19, 2024, the Company issued 1,000,000 common shares at an estimated fair value, discounted for restrictions on the trade of the common shares, of $359,596 in accordance with the Manson Bay Transaction (Note 4).

On August 20, 2024, the Company issued 150,000 common shares from warrant exercises for gross proceeds of $15,000.

On August 22, 2024, the Company completed a non-brokered private placement of 12,000,000 Units at a price of $0.25 for gross proceeds of $3,000,000. Each Unit is comprised of one common share in the capital of the Company and one Warrant. Each Warrant entitles the holder thereof to acquire one additional Share at a price of $0.30 per Warrant Share for a period of 24 months from the date of closing. The Company paid $58,500 in finders' fees and issued 244,800 in finders' warrants. The finders' warrants were valued at $105,232 using the Black-Scholes inputs: risk-free interest of 3.30%, volatility of 110%, expected dividend rate of 0%, and expected life of 2 years. The expected volatility assumption is based on comparable public companies as the Company has limited trading history. The risk-free interest rate assumption is based on yield curves on the Canadian government zero-coupon bonds with a remaining term equal to the warrants expected life.

On August 23, 2024, holders converted convertible debentures of $36,314 of principal and accrued interest by issuing 660,247 Debenture Units of one common share and one share purchase warrant to settle liabilities of $36,314 (Note 9).

On August 29, 2024, holders converted convertible debentures of $15,562 of principal and accrued interest by issuing 282,945 Debenture Units of one common share and one share purchase warrant to settle liabilities of $15,562 (Note 9).

Year ended August 31, 2023

There were no shares issued during the year ended August 31, 2023.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (cont'd…)

c) Warrants

Warrants have been updated to reflect the share consolidation.

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, August 31, 2022 and 2023	1,396,297	$	3.50
Exercised	(735,656)		0.10
Expired	(1,396,297)		3.50
Issued	20,330,831		0.22
Balance outstanding and exercisable, August 31, 2024	19,595,175	$	0.22

Warrants outstanding as at August 31, 2024:

	Number outstanding	Number exercisable	Exercise price	Expiry date
Warrants	6,407,201	6,407,201(1)	$ 0.10	January 25, 2026
	12,244,800	12,244,800(2)	0.30	August 22, 2026
	660,229	660,229(3)	0.055	August 23, 2026
	282,945	282,945(4)	0.055	August 29, 2026
	19,595,175	19,595,175		

(1) 4,485,711 exercised subsequent to the year ended August 31, 2024.

(2) 2,350,720 exercised subsequent to the year ended August 31, 2024.

(3) 660,229 exercised subsequent to the year ended August 31, 2024.

(4) 282,945 exercised subsequent to the year ended August 31, 2024.

d) Stock options and share-based payments

Stock options have been updated to reflect the share consolidation.

The Company has a stock option plan under the policies of the CSE which will not exceed 10% of the issued common shares of the Company. The stock option exercise price under each stock option shall not be less than the market value of the Company's common shares on the date of grant. An option shall be granted as fully vested unless a vesting schedule is imposed by the Board as a condition of the grant date.

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, August 31, 2022	762,601	$	2.35
Forfeited	(370,000)		2.25
Granted	50,000		2.25
Balance, August 31, 2023	442,601		2.43
Cancelled	(360,000)		2.25
Expired	(62,601)		3.50
Forfeited	(20,000)		2.25
Granted	360,000		0.35
Balance outstanding and exercisable, August 31, 2024	360,000	$	0.35

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (cont'd…)

d) Stock options and share-based payments (cont'd…)

Stock options outstanding as at August 31, 2024:

	Number outstanding	Number exercisable	Exercise price	Expiry date
Options	360,000	360,000	$ 0.35	June 21, 2029

As at August 31, 2024, the outstanding stock options had a weighted average remaining life of 4.81 (2023 - 3.41) years.

During the year ended August 31, 2024, the Company granted 360,000 (2023 - 50,000) stock options with a weighted average fair value of $0.31 (2023 - $0.29) per option. The Company recognized share-based payments expense of $111,454 (2023 - $639,514) for options granted and vesting during the period.

Share-based payments expense is estimated using the Black-Scholes option pricing model. The expected volatility assumption is based on comparable public companies as the Company has limited trading history. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares. Charges for options that are forfeited before vesting are reversed from reserve. For those unexercised options that expire, the recorded value is transferred to deficit.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options vesting during the periods:

	Year ended August 31, 2024	Year ended August 31, 2023
Risk-free interest rate	3.36%	3.77%
Expected life of options	5 years	5 years
Expected annualized volatility	137%	125%
Dividend rate	-	-
Forfeiture rate	-	-

e) Escrowed shares

As at August 31, 2024, there were 13,899,363 (2023 - 1,798,725) common shares held in escrow.

12. RELATED PARTY TRANSACTIONS

Key management personnel comprises the officers and directors of the Company. Amounts paid or accrued to key management personnel are as follows:

	Year ended August 31, 2024	Year ended August 31, 2023
Consulting fees(1)	$ 156,000	$ 309,290
Directors' fees	$ 60,000	$ 45,000
Share-based compensation	$ 83,591	$ 431,023

(1) Consulting fees include fees to the former CEOs of $21,000 (2023 - $177,057) and former CFO of $nil (2023 - $15,250).

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (cont'd…)

As at August 31, 2024, $206,426 (2023 - $191,756) was included in accounts payable and accrued liabilities owing to key management personnel. Amounts recorded in accounts payable are non-interest bearing and subject to normal trade terms. The Company has loans payable to a director of $nil (2023 - $59,763) as at August 31, 2024 (Note 8). As at August 31, 2024, key management personnel held a settlement value of convertible debentures of $129,542 (2023 - $nil) which equals the principal and accrued interest.

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

		Year ended August 31, 2024		Year ended August 31, 2023
Finders' warrants issued	$	118,227	$	-
Convertible debenture conversions	$	51,876	$	-
Issuance of convertible debentures through existing debt (Note 9)	$	146,106	$	-
Shares issued for mineral property (Note 4)	$	359,596	$	-
Domain name sale of ShiftRLE	$	-	$	48,412
Taxes paid	$	-	$	-
Interest paid	$	-	$	-

14. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.00% to income before income taxes. The reasons for the differences are as follows:

		For the year ended August 31, 2024		For the year ended August 31, 2023
Net loss before income tax	$	(707,041)	$	(3,411,035)
Statutory income tax rate		27.00%		27.00%
Expected income tax recovery	$	(191,000)	$	(921,000)
Foreign income tax rate difference, change in foreign exchange rates and other		215,000		51,000
Share issuance costs		(16,000)		(120,000)
Permanent differences		30,000		174,000
Adjustment to prior year's provision versus statutory returns		-		-
Changes in benefits not recognized		(38,000)		783,000
Income tax expense (recovery)	$	-	$	(33,000)

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the Company will generate future taxable income. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		August 31, 2024		August 31, 2023
Deferred tax assets:				
Non-capital losses	$	2,144,000	$	2,042,000
Share issue costs and other		62,000		75,000
	$	2,206,000	$	2,117,000
Unrecognized deferred tax assets		(2,206,000)		(2,117,000)
Deferred tax (liabilities):				
Intangible assets		-		-
Net deferred tax liability	$	-	$	-

14. INCOME TAXES (cont'd…)

As at August 31, 2024, the Company has Canadian non-capital losses of $4,228,000 that may be applied to reduce future taxable income. If these losses are not used to offset future income, they will expire through the year ended August 31, 2044. Additionally, the Company has tax losses in Malta total $2,864,000 and may be carried forward indefinitely.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash, accounts payable and accrued liabilities, loans payable, and convertible debentures are carried at amortized cost. With the exception of convertible debentures, the Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. The settlement value of the convertible debentures as at August 31, 2024 was $466,874 which equals the principal and accrued interest.

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.

Financial risk factors

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. As the Company's policy is to limit cash holdings to instruments issued by major international banks financial institutions, the credit risk is considered by management to be negligible. Accounts receivable include amounts due from the Government of Canada for input tax credits, which are not considered financial instruments. Accounts receivable are written off where there is no reasonable expectation of recovery due to supporting indicators. The Company considers these collectable in the short term and credit risk with respect to these amounts to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at August 31, 2024, the Company had working capital of $2,215,103 (2023 - deficiency of $530,183). The Company's financial obligations are limited to accounts payable and accrued liabilities and acquisition consideration payable. Accounts payable and accrued liabilities are substantively due within 30 days. The Company's remaining undiscounted contractual obligation for the convertible debentures is $466,874 (2023 - $nil) which are due on November 15, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at August 31, 2024, the Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity.

Foreign currency risk

Following the wind-down and dissolution of foreign operations, the Company's exposure to foreign currency risk has been substantially reduced. Financial instruments denominated in foreign currencies are not substantial. As at August 31, 2024, the Company has not hedged its exposure to currency fluctuations. The Company assessed its foreign currency risk as low as at August 31, 2024.

16. CAPITAL MANAGEMENT

The Company's capital management policy is to maintain a strong but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity of $3,025,440 (2023 - deficiency of $530,183). In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage current and working capital requirements. The Company did not change its capital management policy during the year ended August 31, 2024. The Company is not subject to externally imposed capital requirements.

17. REVENUE

Revenue	Year ended August 31, 2024	Year ended August 31, 2023
Content revenue	$ -	$ 73,793
Prize money	-	25,192
Royalties from in-game purchases	-	3,212
Talent fees	-	207,441
	$ -	$ 309,638

During the year ended August 31, 2024, the Company received $nil (2023 - $368,966) in content revenue and remitted $nil (2023 - $295,173) back to the talent.

18. SEGMENTED INFORMATION

As at August 31, 2024, the Company has one operating segment, the exploration and development of mineral resources, and all non-current assets are located in Canada.

Through March 2023, the business of the Company was the development of esports teams and digital media talent management, which was considered two business segments.

Revenues, in Canadian dollars, in each of these geographic location for the years ended August 31, 2024 and 2023 are as follows:

Esports

Revenue by geographic location	2024	2023
United States	$ -	$ 19,833
All other countries	-	8,571
	$ -	$ 28,404

Talent Management

Revenue by geographic location	2024	2023
United States	$ -	$ 233,953
All other countries	-	47,281
	$ -	$ 281,234

(Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS

During the year ended August 31, 2023, the Company considered its Esports segment and Talent Management segment to have met the definition of discontinued operations and as such, assets, liabilities, and results of operations that can be distinguished operationally and for financial reporting purposes from the rest of the Company have been terminated and reported separately in the consolidated financial statements. Factors that led to the abandoning of the Esports segment and Talent Management segment included the reduction in internal workforce and missed revenue targets.

Esports

For the years ended August 31, 2024 and 2023, the loss from discontinued operations relate to the following:

Esports	2024	2023
Revenue (Note 17)	$ -	$ 28,404
EXPENSES		
Advertising and promotion	-	193
Esports player, team and game expenses	-	172,947
Foreign exchange	-	(1,783)
Office and miscellaneous	-	67,051
Professional fees	-	47,460
Salaries and wages	-	85,503
Technology marketing and web development	-	12,936
Loss from discontinued operations	$ -	$ (355,903)

Cash flows generated by discontinued operations for the years ended August 31, 2024 and 2023 are as follows:

Esports	2024	2023
CASH FLOWS	$	$
Operating activities	7,525	(415,373)
Investing activities	-	-
Financing activities	-	-
Cash flows from discontinued operations	$ 7,525	$ (415,373)

(Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS (cont'd…)

Talent Management

For the years ended August 31, 2024 and 2023, the loss from discontinued operations relate to the following:

Talent Management	2024	2023
Revenue (Note 17)	$ -	$ 281,234
EXPENSES		
Amortization	-	14,312
Bad debt expense	-	56,858
Consulting	-	110,356
Foreign exchange	-	1,150
Office and miscellaneous	-	104,193
Salaries and wages	-	367,597
Technology marketing and web development	-	13,585
Loss from operations	-	386,817
Impairment of goodwill (Note 7)	-	281,014
Impairment of intangibles (Note 6)	-	90,359
Recovery of accounts payable	-	(17,208)
Tax recovery	-	(32,791)
Loss from discontinued operations	$ -	$ (708,191)

Cash flows used by discontinued operations for the years ended August 31, 2024 and 2023 are as follows:

Talent Management	2024	2023
CASH FLOWS	$	$
Operating activities	-	(411,968)
Investing activities	-	(131,110)
Financing activities	-	(37,220)
Cash flows from discontinued operations	$ -	$ (580,298)

20. SUBSEQUENT EVENTS

- Issued 9,479,314 common shares from warrant exercises for gross proceeds of $1,299,146, of which $15,000 was received during the year ended August 31, 2024.

- Entered into a shares for debt transaction with certain creditors of the Company (the “Creditors”) to settle an aggregate amount of $300,000 in debt (the “Debt”) accrued through services provided by the Creditors to the Company (the “Debt Settlement”). In settlement and full satisfaction of the Debt, the Company issued 600,000 common shares in the capital of the Company (the “Debt Shares”) at a deemed issue price of $0.50 per Debt Share.

- Converted convertible debentures of $450,000 by issuing 8,181,814 Debenture Units to holders of one common share and one share purchase warrant to settle liabilities of $450,000. Additionally, the Company issued 327,214 Debenture Units to holders to settle interest liabilities of $17,997.

- Granted 2,650,000 stock options to officers, directors, and consultants at an exercise price of $0.65 per common share exercisable for 5 years.

- Granted 200,000 stock options to a director at an exercise price of $0.95 per common share exercisable for 5 years.

- Completed an asset purchase agreement (the “West Gore Agreement”) to acquire a series of mineral claims in the province of Nova Scotia, known as the West Gore Antimony Project (“West Gore”). The Company purchased the mineral claims from Molten Metals Corp. (“Molten”) for consideration consisted of $85,000.

- The Company announced it signed a binding letter of intent (“LOI”) with two non-arm’s length parties to acquire further claims surrounding the West Gore project to consolidate the mineralized area. The Company has a three-year option to acquire 100% of the interest in the licenses for $235,000 spread over the term and the sellers will receive a 3% NSR with standard buy-back provisions.

- Completed an acquisition of 1509149 B.C. Ltd., which amalgamated with 1458205 B.C. Ltd. (the “Target”) such that the Company has acquired 100% of the issued and outstanding common shares in the capital of the amalgamated entity (the “Brownfield Transaction”). In connection with the Brownfield Transaction, the Company issued 10,000,000 common shares in the capital of the Company.

- Completed an asset purchase agreement (the “Last Chance Agreement”) with Amador Mining, LLC (“Amador”), to acquire the past-producing Last Chance antimony-gold property in Nevada, United States. The total consideration is $45,000, of which, $10,000 has been paid and the remaining $35,000 is due on or before February 14, 2025 to Amador. Additionally, Amador will receive a 2% NSR.