GANDER GOLD

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Gander Gold Corporation

Opinion

We have audited the accompanying financial statements of Gander Gold Corporation (the "Company"), which comprise the statements of financial position as at June 30, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 on the financial statements, which indicates the Company has no sources of revenue and a deficit of $13,019,588 as at June 30, 2024. As stated in Note 1, these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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.

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

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

As described in Note 4 to the financial statements, the carrying amount of the Company's E&E Assets was $2,177,857 as of June 30, 2024. As more fully described in Note 2 and 3 to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company's rights to explore E&E Assets including sending confirmation requests to optionors to ensure good standing of agreements.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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 IFRS Accounting 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 financial statements of the current year 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 Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

October 28, 2024

Gander Gold Corporation

Statements of Financial Position
(Expressed in Canadian Dollars)
As at

	June 30, 2024 ($)	June 30, 2023 ($)
ASSETS		
Current assets		
Cash	29,115	573,443
Prepaids	24,655	143,717
Sales tax receivable	7,693	79,143
	61,463	796,303
Deposit (Note 4)	28,950	28,950
Exploration advance (Note 4)	-	500,000
Exploration and evaluation assets (Note 4)	2,177,857	10,602,795
	2,268,270	11,928,048
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 6)	311,086	497,123
Other liabilities (Note 8)	-	100,918
Loan payable (Note 7)	639,755	-
	950,841	598,041
Shareholders' equity		
Share capital (Note 8)	13,180,617	12,867,492
Reserves (Note 8)	1,156,400	1,161,483
Deficit	(13,019,588)	(2,698,968)
	1,317,429	11,330,007
	2,268,270	11,928,048

Nature of Operations and Going Concern (Note 1)
Commitments (Note 12)
Subsequent Events (Note 14)

On behalf of the Board:

"Ken Booth"
Director

"Richard Savage"
Director

See accompanying notes to the financial statements

Gander Gold Corporation

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Year Ended June 30, 2024 ($)	Year Ended June 30, 2023 ($)
EXPENSES		
Consulting fees (Note 6)	75,821	161,500
Flow-through share premium recovery (Note 8)	(100,918)	(420,546)
General and administrative	66,218	67,478
Impairment of exploration and evaluation assets (Note 4)	9,379,663	433,311
Interest expense (Note 7)	39,755	-
Interest income	(3,111)	(56,855)
Investor relations	260,325	429,296
Management fees (Note 6)	180,000	180,000
Professional fees (Note 6)	181,424	168,143
Share-based payments (Notes 6 and 8)	203,042	435,934
Transfer agent and filing fees	38,401	59,611
Loss and comprehensive loss	(10,320,620)	(1,457,872)
Basic and diluted loss per share:	$ (1.11)	$ (0.17)
Weighted average common shares outstanding:		
Basic and Diluted	9,296,881	8,637,810

See accompanying notes to the financial statements

Gander Gold Corporation

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital				
	Number of Shares	**Amount**	**Reserves**	**Deficit**	**Total**
		($)	**($)**	**($)**	**($)**
Balance at June 30, 2022	7,569,327	9,365,359	638,149	(1,241,096)	8,762,412
Common shares issued for cash	1,288,333	3,999,963	-	-	3,999,963
Common shares issued for property payments	296,667	362,833	-	-	362,833
Flow through share premium liability	-	(521,464)	-	-	(521,464)
Restricted stock units vested	-	-	360,801	-	360,801
Share issuance costs - cash	-	(251,799)	-	-	(251,799)
Share issuance costs - finders' warrants	-	(87,400)	87,400	-	-
Stock options vested	-	-	75,133	-	75,133
Loss for the year	-	-	-	(1,457,872)	(1,457,872)
Balance at June 30, 2023	9,154,327	12,867,492	1,161,483	(2,698,968)	11,330,007
Common shares issued for exercise of RSUs	112,500	208,125	(208,125)	-	-
Common shares issued for property payments	200,000	105,000	-	-	105,000
Restricted stock units vested	-	-	189,574	-	189,574
Stock options vested	-	-	13,468	-	13,468
Loss for the year	-	-	-	(10,320,620)	(10,320,620)
Balance at June 30, 2024	9,466,827	13,180,617	1,156,400	(13,019,588)	1,317,429

See accompanying notes to the financial statements

Gander Gold Corporation

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year Ended June 30, 2024	Year Ended June 30, 2023
	($)	($)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the year	(10,320,620)	(1,457,872)
Items not affecting cash		
Flow-through share premium recovery	(100,918)	(420,546)
Impairment of exploration and evaluation assets	9,379,663	433,311
Interest expense	39,755	-
Interest income	(3,111)	(56,855)
Share-based payments	203,042	435,934
Changes in non-cash working capital items:		
Prepaids	119,062	(119,967)
Sales tax receivable	71,450	173,618
Accounts payable and accrued liabilities	67,103	38,916
	(544,574)	(973,461)
INVESTING ACTIVITIES		
Exploration advance	-	(500,000)
Exploration and evaluation expenditures	(718,365)	(2,506,308)
Exploration and evaluation rebate	115,500	45,450
Interest received	3,111	56,855
	(599,754)	(2,904,003)
FINANCING ACTIVITIES		
Common shares issued	-	3,999,963
Loan from Sassy Gold	600,000	-
Share issuance costs	-	(251,799)
	600,000	3,748,164
Change in cash during the year	(544,328)	(129,300)
Cash - beginning of year	573,443	702,743
Cash - end of year	29,115	573,443

Supplemental Cash Flow Information (Note 11)

1. NATURE OF OPERATIONS AND GOING CONCERN

Gander Gold Corporation (the "Company") was incorporated on February 3, 2021 under the Business Corporations Act (British Columbia). The Company is a subsidiary of Sassy Gold Corp. ("Sassy"), a publicly traded corporation on the Canadian Securities Exchange ("CSE") under the trading symbol CSE:SASY. The Company is an exploration stage mining company currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company's registered and records office is located at suite 400 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6.

On August 23, 2024, the Company completed a share consolidation of its outstanding common shares on the basis of one post-consolidation share for every 10 pre-consolidation shares. All share, warrant, option, RSU and per-share figures have been retroactively adjusted to reflect this consolidation

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has no sources of revenue and a deficit of $13,019,588 at June 30, 2024 (June 30, 2023 - $2,698,968).

The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's financial statements and such adjustments could be material. The above conditions may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

The Company prepares its financial statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the Company's Board of Directors on October 28, 2024.

Basis of measurement

All references to dollar amounts in these financial statements and related notes are in Canadian dollars, unless otherwise indicated.

These financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information, and financial instruments classified as financial instruments at fair value through profit or loss, or fair value through other comprehensive loss which are stated at fair value.

Functional and Presentation Currency

The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the financial statements.

2. BASIS OF PREPARATION (continued)

Use of Estimates and Judgments

The preparation of these 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 financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Income taxes
The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

Non-monetary transactions
Assets exchanged or transferred in non-monetary transactions are measured at the fair value of the asset given up or the fair value of the asset received, whichever is more reliable.

Share-based payments
The fair value of stock options granted are subject to the limitation of the Black-Scholes Option Pricing Model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

The fair value of restricted stock units (“RSUs”) is determined on the date of grant based on the market price of the Company’s common shares. This may not be indicative of the value on the settlement date.

Significant judgments that management has made at the end of the reporting period are as follows:

Carrying value and the recoverability of exploration and evaluation assets
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Going concern
The assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Loss per share

Basic loss per share is calculated by dividing the loss of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. The calculation assumes that proceeds received from the exercise of in-the-money stock options are used to repurchase common shares at the average market price. For the year presented, this calculation proved to be anti-dilutive.

Exploration and evaluation assets

Costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. Costs incurred before the Company has obtained the legal rights to explore an area are recognized through profit or loss. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are first tested for impairment and then reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their recoverable amount. Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Restoration provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year. The Company currently has no restoration obligations.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' equity.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the jurisdictions where the Company operates and generates taxable income.

Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Impairment of long-lived assets

The carrying amount of the Company's assets is reviewed for indicators of impairment at each reporting date. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit ("CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs of disposal ("FVLCD").

FVLCD is defined as the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The Company calculates FVLCD by reference to the after-tax future cash flows expected to be derived, less estimated selling costs. The estimated after-tax future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. If an impairment loss exists, then it is recorded as an expense immediately.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss cannot be reversed to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share based payments

The Company has a stock option plan. Share-based payments are measured at the fair value of the instruments granted and recognized over the term of vesting. The corresponding amount is recorded to reserves. The fair value of options is determined using a Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the options granted shall be based on the number of options that eventually vest. If and when stock options are ultimately exercised, the amount of cash received as well as the applicable amount of the associated reserve is transferred to share capital. The value associated with expired options remains in reserves.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders the services.

Financial instruments

IFRS 9 provides three different measurement categories for non-derivative financial assets – subsequently measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income – while all non-derivative financial liabilities are classified as subsequently measured at amortized cost. The category into which a financial asset is placed and the resultant accounting treatment is largely dependent on the nature of the business of the entity holding the financial asset. All financial instruments are initially recognized at fair value.

Financial assets

The Company initially recognizes financial assets at fair value on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company's financial assets consist of cash which has been classified as amortized cost. All financial assets that do not meet the criteria to be recognized as subsequently measured at amortized cost or subsequently measured at fair value through other comprehensive income are classified as FVTPL.

Financial liabilities

The Company's financial liabilities consist of accounts payable and accrued liabilities and loan payable which have been classified as subsequently measured at amortized cost. Financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment

An "expected credit loss" impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Leases

IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the asset being leased. For those contracts determined to meet the definition of a lease, IFRS 16 requires a lessee to recognize on the statement of financial position a right-of-use asset along with the associated lease liability which reflects future lease payments. There are limited exceptions for leases with a term of less than 12 months or leases of assets which have a low value.

As at June 30, 2024 and 2023, the Company did not have any leases that would result in a right-of-use asset or lease liability.

Flow-through shares

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures by the Company. Proceeds from the issuance of flow-through shares need to be allocated between the offering of the flow-through share and the premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through shares. The calculated tax benefit is recognized as a liability until the Company incurs the expenditures, at which point the liability is reversed and recorded as other income on the statements of loss and comprehensive loss.

Adoption of new accounting standards

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments—Disclosure of Accounting Policies.

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those consolidated financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four step materiality process described in IFRS Practice Statement 2.

The amendment was applied effective July 1, 2023 and did not have a material impact on the Company's financial statements.

New accounting standards issued but not yet effective

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. It introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. The Company is in the process of assessing the impact on the financial statements of the new standard.

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

In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. These amendments are effective for annual periods beginning on or after January 1, 2024, and are not expected to have a material impact on the Company's future reporting periods.

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2024, including amendments to IFRS 16 "Leases", amendments to IAS 7 "Statement of Cash Flow" and IFRS 7 "Financial Instruments Disclosures". The effect of such new accounting standards or amendments are not expected to have a material impact on the Company's financial statements.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Gander North	Gander South	Mt. Peyton	Carmanville	BLT	Cape Ray	Hermitage	Little River	Total
	($)	($)	($)	($)	($)	($)	($)	($)	($)
Acquisition Costs:									
Balance, June 30, 2022	1,243,958	192,253	1,476,734	202,089	434,834	804,055	354,722	149,905	4,858,550
Additions	172,956	21,968	191,835	28,738	56,695	133,334	40,320	16,988	662,834
Impairment	-	-	-	(230,827)	-	-	-	-	(230,827)
Balance, June 30, 2023	1,416,914	214,221	1,668,569	-	491,529	937,389	395,042	166,893	5,290,557
Additions	11,600	71,500	3,600	-	-	-	30,400	12,900	130,000
Impairment	(1,265,398)	-	(1,672,168)	-	(491,528)	(937,388)	-	-	(4,366,482)
Balance, June 30, 2024	163,116	285,721	1	-	1	1	425,442	179,793	1,054,075
Exploration Costs:									
Balance, June 30, 2022	1,428,066	94,586	1,007,700	118,212	494,083	428,763	92,576	46,401	3,710,387
Assays	30,778	4,169	396	501	9,148	10,245	1,090	-	56,327
Consulting	283,154	20,119	43,244	9,165	58,368	10,686	9,701	4,728	439,165
Field supplies	7,000	-	-	370	-	-	-	-	7,370
Drilling	166,558	-	-	-	-	-	-	-	166,558
Geophysics	142,283	-	-	-	-	-	-	-	142,283
Helicopter and expediting	98,880	3,369	48,689	182	23,719	55,216	10,900	-	240,955
JEA Rebate	-	-	(45,450)	-	-	-	-	-	(45,450)
Reports and maps	3,125	-	750	625	1,688	1,250	1,250	-	8,688
Sampling	113,353	15,827	403,760	73,430	65,590	82,740	33,740	-	788,440
Impairment	-	-	-	(202,485)	-	-	-	-	(202,485)
Balance, June 30, 2023	2,273,197	138,070	1,459,089	-	652,596	588,900	149,257	51,129	5,312,238
Assays	67,988	7,722	297	-	6,854	-	-	-	82,861
Consulting	52,108	86,466	41,391	-	36,576	3,464	2,536	428	222,969
Field supplies	-	-	994	-	1,992	-	-	-	2,986
Drilling	246,982	56,954	-	-	62,457	-	-	-	366,393
Geophysics	2,835	2,640	11,392	-	3,600	-	-	-	20,467
Helicopter and expediting	18,841	5,577	32,135	-	72,530	18,057	953	-	148,093
JEA Rebate	(115,500)	-	-	-	-	-	-	-	(115,500)
Permitting	2,250	5,123	-	-	-	-	-	-	7,373
Reports and maps	7,090	2,750	4,328	-	2,082	2,809	549	-	19,608
Sampling	-	-	31,325	-	-	26,925	-	11,225	69,475
Impairment	(1,953,388)	-	(1,580,951)	-	(838,687)	(640,155)	-	-	(5,013,181)
Balance, June 30, 2024	602,403	305,302	-	-	-	-	153,295	62,782	1,123,782
Total Costs:									
Balance, June 30, 2023	3,690,111	352,291	3,127,658	-	1,144,125	1,526,289	544,299	218,022	10,602,795
Balance, June 30, 2024	765,519	591,023	1	-	1	1	578,737	242,575	2,177,857

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Vulcan Properties, Newfoundland

Gander North/Gander South/Hermitage/Little River

On February 28, 2021, the Company took assignment of an option agreement (the "Vulcan Agreement") between Sassy and Vulcan Minerals Inc. ("Vulcan") dated February 11, 2021, which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the "Gander North Property", "Gander South Property", the "Little River Property" and the "Hermitage Property") (collectively, the "Gander properties").

Pursuant to the Vulcan Agreement, as amended on April 18, 2024, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

Date	Shares	Cash	Exploration Expenditures
		($)	($)
Upon execution of the Agreement (issued by Sassy)(paid)	100,000	100,000	-
On or before February 11, 2022 (issued, paid and incurred)	30,000	50,000	200,000
On or before February 11, 2023 (issued, paid and incurred)	30,000	50,000	400,000
On or before April 15, 2024 (issued and incurred)	100,000	-	600,000
On or before February 11, 2025	50,000	100,000	800,000
Total	310,000	300,000	2,000,000

The Company also reimbursed Vulcan for refundable staking deposits totaling $28,950 which is posted with government of Newfoundland and Labrador. Subsequent to June 30, 2024, the Company received a partial refund of these deposits.

Vulcan will retain a 3% net smelter return ("NSR") royalty upon the Company completing its obligations under the Vulcan Agreement. The Company has the right to purchase back one half of the NSR (1.5%) for a cash payment of $2,000,000 and the issuance of 50,000 common shares of the Company.

On December 22, 2023, the Company entered into an agreement with Puddle Pond Resources Inc., an arms-length vendor, to acquire certain mineral claims that are contiguous to its Gander South project in exchange for $25,000 in cash (paid) and the issuance of 100,000 common shares (issued) of the Company valued at $30,000. The vendor will retain a 2% NSR royalty on the claims, half of which may be repurchased by the Company at any time for a payment of $500,000. The vendor will also be entitled to a one-time bonus payment of 50,000 common shares should the Company delineate a National Instrument 43-101 compliant resource of 200,000 ounces of gold on the newly acquired claims.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Wildwood Properties, Newfoundland

Gander North/Carmanville

On May 31, 2021, the Company took assignment of an option agreement (the "Gander North Agreement") between Sassy and Wildwood Exploration Inc. ("Wildwood") dated March 12, 2021, as amended on April 7, 2021, which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the "Gander North Property" and the "Carmanville Property").

Pursuant to the Gander North Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

Date	Shares	Cash	Exploration Expenditures
		($)	($)
Upon execution of the Agreement (issued by Sassy)(paid)	100,000	154,275	-
On or before November 15, 2021 (incurred)	-	-	275,000
On or before March 12, 2022 (issued and paid)	50,000	50,000	-
On or before April 7, 2022 (issued)	25,000	-	-
On or before November 15, 2022 (incurred)	-	-	335,000
On or before March 12, 2023 (issued and paid)	50,000	100,000	-
On or before April 7, 2023 (issued)	25,000	-	-
On or before November 15, 2023 (incurred)	-	-	400,000
On or before March 12, 2024	50,000	100,000	-
On or before April 7, 2024	25,000	-	-
On or before November 15, 2024	-	-	750,000
On or before March 12, 2025	50,000	100,000	-
On or before November 15, 2025	-	-	1,000,000
On or before March 12, 2026	75,000	150,000	-
Total	450,000	654,275	2,760,000

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Gander North Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of $2,500,000.

Upon completion of its public listing on the CSE, the Company issued an additional 50,000 common shares valued at $175,000 to Wildwood.

During the year ended June 30, 2023, the Company determined that it was unlikely it would be proceeding with the Carmanville property, and accordingly recorded a full impairment on the property totaling $433,311.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

The Company is currently in default under the Gander North Agreement. Accordingly, the Company has recorded an impairment charge of $3,218,786 with regards to the Gander North claims under this agreement during the year ended June 30, 2024.

Cape Ray

On May 31, 2021, the Company took assignment of an option agreement (the "Cape Ray Agreement") between Sassy and Wildwood dated March 12, 2021, as amended on April 7, 2021, which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (the "Cape Ray Property").

Pursuant to the Cape Ray Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

Date	Shares	Cash	Exploration Expenditures
		($)	($)
Upon execution of the Agreement (issued by Sassy)(paid)	50,000	87,455	-
On or before November 15, 2021 (incurred)	-	-	100,000
On or before March 12, 2022 (issued and paid)	25,000	35,000	-
On or before April 7, 2022 (issued)	25,000	-	-
On or before November 15, 2022 (incurred)	-	-	120,000
On or before March 12, 2023 (issued and paid)	50,000	50,000	-
On or before November 15, 2023 (incurred)	-	-	150,000
On or before March 12, 2024	50,000	75,000	-
On or before November 15, 2024	-	-	430,000
On or before March 12, 2025	75,000	75,000	-
On or before November 15, 2025	-	-	1,000,000
On or before March 12, 2026	75,000	130,000	-
Total	350,000	452,455	1,800,000

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Cape Ray Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of $2,500,000.

Upon completion of its public listing on the CSE, the Company issued an additional 50,000 common shares valued at $175,000 to Wildwood.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

On October 11, 2022, the Company entered into an option agreement with Supernova Metals Corp. ("SUPR") wherein SUPR could acquire a 1% interest in the Cape Ray property by expending $56,000 in exploration expenditures (incurred) by December 31, 2022. However, the Company retained a right of repurchase which allowed it to re-acquire the 1% interest in exchange for the payment of $50,000 on or before February 28, 2023. The payment can be settled in cash or common shares at the Company's election. On December 1, 2022, the Company exercised the right of repurchase by issuing 16,667 common shares at a fair value of $25,833 to SUPR.

The Company is currently in default under the Cape Ray Agreement. Accordingly, the Company has recorded an impairment charge of $1,577,543 with regards to the Cape Ray property during the year ended June 30, 2024.

Mount Peyton/BLT

On May 31, 2021, the Company took assignment of an option agreement (the "Thwart Island Agreement") between Sassy and Wildwood dated March 12, 2021, as amended on May 12, 2021, which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the "Mount Peyton Property" and the "BLT Property").

Pursuant to the Thwart Island Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

Date	Shares	Cash	Exploration Expenditures
		($)	($)
Upon execution of the Agreement (issued by Sassy)(paid)	125,000	331,320	-
On or before November 15, 2021 (incurred)	-	-	140,000
On or before January 15, 2022 (incurred)	-	-	700,600
On or before March 12, 2022 (issued and paid)	125,000	75,000	-
On or before November 15, 2022 (incurred)	-	-	160,000
On or before March 12, 2023 (issued and paid)	125,000	100,000	-
On or before November 15, 2023 (incurred)	-	-	200,000
On or before March 12, 2024	125,000	100,000	-
On or before November 15, 2024	-	-	500,000
On or before March 12, 2025	125,000	125,000	-
On or before November 15, 2025	-	-	1,000,000
On or before March 12, 2026	75,000	150,000	-
Total	700,000	881,320	2,700,600

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Thwart Island Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of $2,500,000.

Upon completion of its public listing on the CSE, the Company issued an additional 50,000 common shares valued at $175,000 to Wildwood.

The Company is currently in default under the Thwart Island North Agreement. Accordingly, the Company has recorded an impairment charge of $4,583,334 with regards to the Mt Peyton property and the BLT property during the year ended June 30, 2024.

As at June 30, 2023, the Company had advanced $500,000 for future exploration work on its Gander properties. The Company recognized the full advance against exploration expenditures incurred during the year-ended June 30, 2024.

5. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	June 30, 2024	**June 30, 2023**
	($)	**($)**
Trade payables	281,086	456,123
Accrued liabilities	30,000	41,000
	311,086	497,123

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and other members of key management personnel during the years ended June 30, 2024 and 2023 is as follows:

	2024	**2023**
	($)	**($)**
Consulting fees	73,800	71,500
Geological fees (included in consulting fees)	90,000	90,000
Management fees	180,000	180,000
Professional fees	96,000	87,000
Share-based payments	190,877	412,783
	630,677	841,283

As at June 30, 2024, a total of $107,048 (June 30, 2023 - $26,106) was included in accounts payable and accrued liabilities owing to key management of the Company for fees and reimbursable expenses.

7. LOAN PAYABLE

On September 29, 2023, the Company borrowed $300,000 from Sassy pursuant to a promissory grid note ("Loan Payable") that is unsecured, due on demand and bears interest at 10% per annum. During the year ended June 30, 2024, the Company borrowed an aggregate of $300,000 in additional loan draws and accrued $39,755 of loan interest.

8. SHARE CAPITAL AND RESERVES

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

On August 23, 2024, the Company completed a share consolidation of its outstanding common shares on the basis of one post-consolidation share for every 10 pre-consolidation shares. All share, warrant, option, RSU and per-share figures have been retroactively adjusted to reflect this consolidation.

Issued share capital

<u>Year ended June 30, 2024</u>

The Company issued an aggregate of 112,500 common shares pursuant to the exercise of RSUs. The fair value of the RSUs was determined to be $208,125, and accordingly the amount has been transferred from reserves to share capital.

The Company issued 100,000 common shares valued at $30,000 in connection with the acquisition of certain claims associated with the Gander South project.

The Company issued 100,000 common shares valued at $75,000 in connection with the Vulcan Agreement.

<u>Year ended June 30, 2023</u>

On September 26, 2022, the Company completed a non-brokered private placement financing wherein it issued 1,288,333 shares, consisting of 298,296 charitable flow-through shares at $3.80 per share, 483,344 flow-through shares at $3.10 per share and 506,693 common shares at $2.70 per shares, for aggregate proceeds of $3,999,963. In connection with the financing, the Company paid a total of $228,542 in cash and issued 71,470 finders' warrants valued at $87,400 that are exercisable for 12 months at the issue price of the underlying security issued. The finders' warrants were valued using the Black-Scholes Option Pricing Model with the following parameters: expected price volatility: 165%, risk-free rate: 3.81%, expected life: 1 year and expected dividend yield: 0%. The Company incurred other share issuance costs totaling $23,257.

The Company recorded a flow-through liability of $521,464 on issuance of the charitable flow-through shares and flow-through shares. As at June 30, 2023, the Company incurred approximately 80% of the required flow-through expenditures under the issuance and $420,546 was recognized as a flow-through premium recovery resulting in other liabilities of $100,918 as at June 30, 2023. The remaining balance of flow-through expenditures were incurred during the year ended June 30, 2024, and the Company recognized a flow-through premium recovery of $100,918. Accordingly, the flow-through premium liability is $nil at June 30, 2024.

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

On December 1, 2022, the Company issued 16,667 common shares valued at $25,833 in connection with the Cape Ray property (Note 4).

On February 8, 2023, the Company issued 30,000 common shares to Vulcan valued at $49,500 under the Vulcan Agreement (Note 4).

On March 27, 2023, the Company issued 250,000 common shares valued at $287,500 to Wildwood under the Gander North, Cape Ray and Thwart Island Agreements (Note 4).

Stock options

The Company has rolling incentive stock option plan (the "Plan"), which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company unless otherwise approved by the Board of Directors.

A continuity schedule of the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Price
		($)
Balance, June 30, 2022	345,000	2.50
Granted	22,500	2.00
Balance, June 30, 2023	367,500	2.47
Expired	(10,000)	2.50
Balance, June 30, 2024	357,500	2.47

The Company recorded share-based payments of $13,468 (2023 - $75,133) during the year ended June 30, 2024 in connection with vested stock options.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of stock options granted represents the period of time that stock options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the stock option is based on the Canadian government bond rate. Assumptions used for stock options granted during the year ended June 30, 2023 were as follows:

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life	Expected Dividend Yield	Fair Value Per Option	Total Fair Value
		(%)	(%)	(yrs)	(%)	($)	($)
May 5, 2023	22,500	166	3.02	5.00	-	1.70	39,100

There were no stock options granted during the year ended June 30, 2024.

The following table summarizes the stock options outstanding as at June 30, 2024:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
			($)	(yrs)
November 1, 2026	230,000	230,000	2.50	2.34
November 15, 2026	70,000	70,000	2.50	2.38
December 1, 2026	35,000	35,000	2.50	2.42
May 5, 2028	22,500	22,500	2.00	3.85
	357,500	357,500	2.47	2.45

RSUs

The Company has a rolling RSU plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the CSE requirements, issue RSUs to eligible participants, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Vesting provisions as well as method of settlement (ie. cash or common shares) are determined by the Board of Directors of the Company. The maximum number of common shares reserved for issuance to any one RSU holder will not exceed five percent (5%) of the issued and outstanding common shares. Any unvested RSUs are immediately forfeited following cessation of the RSU holder's position with the Company unless otherwise approved by the Board of Directors.

On May 5, 2023, the Company granted 297,500 RSUs that vested 50% immediately and the remaining 50% after six months. The Board elected for this RSU grant to be settled in common shares, and accordingly they are accounted for as equity instruments. The Company recorded share-based payments of $189,574 during the year ended June 30, 2024 (2023 - $360,801).

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

The continuity of the Company's RSUs is as follows:

	Number of RSUs
Balance, June 30, 2022	-
Granted	297,500
Balance, June 30, 2023	297,500
Exercised	(112,500)
Balance, June 30, 2024	**185,000**

Warrants

A continuity schedule of the Company's finders' warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, June 30, 2022	-	-
Issued	71,470	3.20
Balance, June 30, 2023	71,470	3.20
Expired	(71,470)	3.20
Balance, June 30, 2024	-	-

As at June 30, 2024, there are no warrants outstanding.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to risk is on its cash. The Company holds its cash in substantial financial institutions to mitigate risk. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

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 prepares a general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's financial liabilities consist of accounts payable and accrued liabilities and loan payable, all of which are due within twelve months.

The Company's main source of funding has been through the issuance of equity securities for cash. The Company's access to financing in the public markets is always uncertain. The Company is exposed to liquidity risk.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for gold and silver are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the year ended June 30, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Foreign exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. However, the Company's functional currency is the Canadian dollar and the Company doesn't have any material assets or operations that are denominated in a foreign currency. Accordingly, the Company is not exposed to any material foreign exchange risk and has not hedged its limited exposure to currency fluctuations.

Classification of financial instruments

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial assets included in the statement of financial position are cash. Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities and loan payable. The fair value of cash, accounts payable and accrued liabilities and loan payable approximate the carrying amount due to their short term to maturity. The effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its 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 its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the year ended June 30, 2024.

10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment being the acquisition, exploration and evaluation of mineral resources properties.

The Company operates in one geographic segment located in Canada.

11. SUPPLEMENTAL CASH FLOW INFORMATION

	2024	**2023**
	($)	**($)**
Non-cash investing and financing activities:		
Common shares issued for exploration and evaluation assets	105,000	362,833
Exploration and evaluation expenditures in accounts payable	65,040	438,049
Fair value of RSUs transferred to share capital	208,125	-
Finder's warrant recorded as share issuance costs	-	87,400
Exploration advances reclassified as exploration and evaluation assets	500,000	355,000
Interest paid during the year	-	-
Income taxes paid during the year	-	-

12. COMMITMENTS

Under the terms of their management agreements, the CEO, CFO and VP of Exploration of the Company are entitled to between twelve and twenty-four months of base fee, representing approximately $546,000, in the event of their agreement being terminated in connection with a change of control of the Company.

(Expressed in Canadian dollars)

13. INCOME TAX

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before taxes. These differences result from the following items:

	2024 ($)	2023 ($)
Loss before income taxes	(10,320,620)	(1,457,892)
Canadian federal and provincial income tax rates	27.00%	27.00%
Income tax recovery based on the above rates	(2,787,000)	(394,000)
Increase (decrease) due to:		
Change in statutory, foreign tax, foreign exchange rates and other	-	(68,000)
Impact of flow through shares	211,000	487,000
Permanent differences	28,000	5,000
Adjustment of prior years provision versus statutory tax returns	13,000	-
Tax effect of tax losses and temporary differences not recognized	2,535,000	(30,000)
Income tax (recovery) expense	-	-

The components of deferred income taxes are as follows:

	2024 ($)	2023 ($)
Deferred income tax assets		
Exploration and evaluation assets	1,939,000	-
Non-capital losses	695,000	450,000
Property and equipment	9,000	9,000
Share issuance costs	51,000	70,000
Total deferred income tax assets	2,694,000	529,000
Deferred income tax liabilities		
Exploration and evaluation assets	-	370,000
Total deferred income tax liabilities	-	370,000
Net deferred tax asset	2,694,000	159,000
Unrecognized deferred tax asset	(2,694,000)	(159,000)
Net deferred tax asset	-	-

In assigning the realization of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

The Company has non-capital loss carry-forwards of approximately $2,573,000 (2023 - $1,665,000) and share issuance costs of approximately $190,000 (2023 - $260,000) that may be available for tax purposes.

14. SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Company:

a) issued 750,000 RSUs to officers and directors that vest over a period of 12 months;

b) issued 200,000 stock options exercisable at $0.22 for a period of 5 years;

c) completed a share consolidation of its outstanding common shares on the basis of one post-consolidation share for every 10 pre-consolidation shares. All share, warrant, option, RSU and per-share figures have been retroactively adjusted to reflect this consolidation; and

d) borrowed an additional $150,000 from Sassy pursuant to the Loan Payable.