

ASHLEY GOLD CORP.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

ASHLEY GOLD CORP.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)

As at	June 30, 2024	December 31, 2023
	(Unaudited)	
	\$	\$
Assets		
<u>Current assets</u>		
Cash	6,558	22,171
HST/GST receivable	64,307	48,901
Prepaid and other receivable (Note 4)	140,388	127,122
Due from a related party (Note 8)	14,087	3,220
	<u>225,340</u>	<u>201,414</u>
Exploration and evaluation assets (Note 5)	532,088	387,954
Total Assets	<u>757,428</u>	<u>589,368</u>
Liabilities and Shareholders' Equity		
<u>Current liabilities</u>		
Accounts payable and accrued liabilities	91,398	116,887
Flow-through shares liability (Note 7)	-	10,326
Due to related parties (Note 8)	7,400	20,373
	<u>98,798</u>	<u>147,586</u>
<u>Shareholders' equity</u>		
Share capital (Note 6b)	1,699,351	1,423,834
Stock compensation reserves (Note 6d)	177,086	130,447
Warrants (Note 6e)	761,402	661,093
Deficit	(1,979,209)	(1,773,592)
Total shareholders' equity	<u>658,630</u>	<u>441,782</u>
Total Liabilities and Shareholders' Equity	<u>757,428</u>	<u>589,368</u>

Nature of Operations and Going Concern (Note 1)
Subsequent Event (Note 11)

On behalf of the Board of Directors:

Director (signed by) "Darcy Christian"

Director (signed by) "Douglas Coleman"

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

ASHLEY GOLD CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars - Unaudited)

	Three Months ended June 30, 2024	Three Months ended June 30, 2023	Six Months ended June 30, 2024	Six Months ended June 30, 2023
	\$	\$	\$	\$ \$
Expenses				
Bank charges	546	277	768	517
Consulting fees	17,050	10,500	20,550	21,000
Marketing expenses	14,069	22,072	29,437	76,713
Management fees	34,048	30,000	70,000	60,000
Office and administration	2,215	2,281	4,886	5,360
Professional fees	21,624	21,537	34,235	37,383
Stock based compensation	-	22,859	46,639	22,859
Stock transfer agent & filing fees	13,658	19,464	18,137	22,931
Travel expenses	3,895	2,379	3,895	10,398
	(107,105)	(131,369)	(228,547)	(257,161)
Other income				
Impairment expenses	-	(588,393)	-	(588,393)
Interest income	-	15	-	15
Revaluation of other receivable (Note 4)	23,485	(1,511)	22,930	-
Total other income	23,485	(589,889)	22,930	(588,378)
Net loss and comprehensive loss	(83,620)	(721,258)	(205,617)	(845,539)
Loss per common shares				
- basic and diluted	(0.00)	(0.04)	(0.01)	(0.04)
Weighted average number of common shares outstanding - basic and diluted				
	36,064,589	19,178,946	36,463,197	19,249,270

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

ASHLEY GOLD CORP

Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - Unaudited)

	Number of Shares	Share Capital	Shares to be issued	Share Compensation Reserves	Warrants	Accumulated Deficit	Total
		\$	\$	\$	\$	\$	\$
Balance at December 31, 2022	18,990,375	1,168,837	-	107,588	195,042	(519,268)	952,199
Flow-through share premium	-	(4,500)	-	-	-	-	(4,500)
Share issuance cost – cash (Note 6b)	-	(2,940)	-	-	-	-	(2,940)
Net loss for the period	-	-	-	-	-	(124,281)	(124,281)
Balance at March 31, 2023	18,990,375	1,161,397	-	107,588	195,042	(643,549)	820,478
Flow-through share premium	-	4,500	-	-	-	-	4,500
Stock option granted	-	-	-	22,859	-	-	22,859
Share issuance for acquisition at \$0.07 (Note 6b)	330,000	23,100	-	-	-	-	23,100
Shares to be issued	-	-	161,025	-	-	-	161,025
Net loss for the year	-	-	-	-	-	(721,258)	(721,258)
Balance at June 30, 2023	19,320,375	1,188,997	161,025	130,447	195,042	(1,364,807)	310,704
Balance at December 31, 2023	30,647,748	1,423,834	-	130,447	661,093	(1,773,592)	441,782
Stock option granted (Note 6d)	-	-	-	46,639	-	-	46,639
Share issuance for acquisition at \$0.055 (Note 6b)	600,000	33,000	-	-	-	-	33,000
Unit issuance for private placement at \$0.05 (Note 6b)	3,657,500	135,977	-	-	46,898	-	182,875
Reverse of flow-through liability for unit (Note 7d)	-	5,084	-	-	79	-	5,163
Unit agent's warrants (Note 6e)	-	(9,215)	-	-	9,215	-	-
Unit issuance cost – cash (Note 6b)	-	(22,750)	-	-	-	-	(22,750)
Net loss for the period	-	-	-	-	-	(121,997)	(121,997)
Balance at March 31, 2024	34,905,248	1,565,930	-	177,086	717,285	(1,895,589)	564,712
Share issuance for acquisition at \$0.055 (Note 6b)	500,000	37,500	-	-	-	-	37,500
Unit issuance for private placement at \$0.05 (Note 6b)	1,500,000	112,058	-	-	37,942	-	150,000
Reverse of flow-through liability for unit (Note 7d)	-	5,084	-	-	79	-	5,163
Unit agent's warrants (Note 6e)	-	(6,096)	-	-	6,096	-	-
Unit issuance cost – cash (Note 6b)	-	(15,125)	-	-	-	-	(15,125)
Net loss for the period	-	-	-	-	-	(83,620)	(83,620)
Balance at June 30, 2024	36,905,248	1,699,351	-	177,086	761,402	(1,979,209)	658,630

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

ASHLEY GOLD CORP.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

	June 30, 2024	June 30, 2023
	\$	\$
Operating Activities:		
Net loss for the period	(205,617)	(845,539)
Adjustment for items not involving cash:		
Impairment expenses	-	588,393
Stock based payment	46,639	22,859
Share issuance receivable loss	(22,930)	-
Changes in non-cash operating working capital:		
HST/GST receivable	(15,406)	4,601
Prepaid and other receivable	9,664	(70,119)
Due from a related party	(10,867)	-
Accounts payable and accrued liabilities	(25,489)	13,791
Due to related parties	(12,973)	13,800
Cash flow used in operating activities	(236,979)	(272,214)
Investing Activities:		
Acquisitions of exploration and evaluation assets (Note 5)	(182,407)	(108,507)
Exploration cost impairment	-	4,338
Cash flow used in investing activities	(182,407)	(104,169)
Financing Activities:		
Proceeds from share issuance	-	161,025
Share issuance costs – cash (Note 6b)	295,000	(2,940)
Recovery refund for exploration costs (Note 5)	108,773	-
Cash flow increase (decrease) from financing activities	403,773	158,085
Increase in cash during period	(15,613)	(218,298)
Cash, beginning of period	22,171	263,321
Cash, end of period	6,558	45,023

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

ASHLEY GOLD CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Canadian Dollars - Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Ashley Gold Corp. (“Ashley” or the “Company”) was incorporated under the Business Corporations Act (Alberta) on July 15, 2020. The Company’s registered and operating office is at Suite 1150, 707 – 7th Avenue SW, Calgary, Alberta T2P 3H6.

On April 29, 2022, the Company completed its initial public offering.

On May 2, 2022, the common shares of the Company commenced trading on the Canadian Stock Exchange (“CSE”) under the trading symbol “ASHL.”

The Company’s principal business activity is the acquisition and exploration of mineral properties in the natural resourcesector with the long-term goal of divesting its investment assets at a profit. Ashley’s mandate is to acquire in mining natural resource opportunities, primarily in the Americas. As at June 30, 2024, the Company had not yet achieved profitable operations and had accumulated a deficit of \$1,979,209 (December 31, 2023 – \$1,773,592), and for the six months then ended, incurred a net loss of \$205,617 (June 30, 2023 - \$845,539) and negative cash flows from operating activities of \$236,979 (June 30, 2023 - negative cash flow of \$272,214).

These financial statements have been prepared on the assumption that the Company will continue as a going concern in accordance with IFRS. The proposed business of the Company involves a high degree of risk and there is no assurance that the Company be successful in acquiring or divesting investment assets. The Company’s ability to continue operations is not assured and is dependent upon the ability of the Company to obtain necessary financing to meet the Company’s liabilities and commitments as they become due and the ability to identify and finance additional investments, generate future returns on investments, and achieve future profitable operations or obtain sufficient proceeds from the disposition of its investments. The outcome of these matters cannot be predicted at this time. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments might be material.

These interim financial statements were authorized for issue by the Board of Directors of the Company on August 28, 2024.

2. BASIS OF PRESENTATION

These unaudited condensed financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standards (“IAS”) 34 Interim Financial Reporting.

These financial statements have been prepared on the historical cost basis except for share-based payments which were recorded at fair value. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company, and all values are rounded to the nearest dollar.

3. MATERIAL ACCOUNTING POLICIES

a) New and Revised IFRS Standards Issued but Not Effective

The new standards or amendments are either not applicable or not expected to have a significant impact on the Company’s financial statements.

ASHLEY GOLD CORP.

Notes to the Condensed Interim Financial Statements
For the three and six months ended June 30, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

4. PREPAID AND OTHER RECEIVABLE

	June 30, 2024	December 31, 2023
Prepaid expenses	\$ 12,349	\$ 9,350
Other receivable	128,039	117,772
Balance, ending	\$ 140,388	\$ 127,122

On October 4, 2023, the Company closed a non-brokered private placement by issuing 4,166,667 units with a fair value of \$300,000 to Sorbie Capital Ltd (“the Investor”). The investor is to make monthly payments to the Company based on the trading price of the Company’s shares in each of the next 12 months. As of June 30, 2024, the Company has received \$41,739 (December 31, 2023 - \$28,976). Based on the trading price of the Company’s shares at June 30, 2024, the fair value of the remaining consideration to be received is \$128,039 (December 31, 2023 - \$117,772) which resulted in a fair value adjustment of \$22,930 (December 31, 2023 - \$153,252).

5. EXPLORATION AND EVALUATION ASSETS**Santa Maria Property:**

On August 2, 2022, the Company entered a non-arm’s length transaction, an Asset Purchase Agreement with a related party, URSA Polaris Developments Corporation (“URSA”), incorporated in Calgary, Alberta to purchase a 100% interest in 48 mining claims, (1,008 hectares) (hereinafter known as the “Santa Maria Property”) located SE of Dryden, Ontario. URSA is a related corporation as it is owned by an officer and director of the Company. The Company paid \$10,000 in cash to the owner of the property and the claims are subject to a 1.75% Net Smelter Royalty (“NSR”).

On September 26, 2022, the Company purchased a 26-claim block (546 hectares) located SE of Dryden, Ontario. Ashley paid \$2,400 for a 100% interest in the property and there are no royalties attached to the property.

On April 22, 2023, the Company entered into a non-arm’s length transaction with URSA to purchase a 100% interest in 11 claims located 40 km SE of Dryden, Ontario for total consideration of \$1,100, comprised of 1 Santa Maria Claim. Pursuant to the agreement, the Company is to pay \$100 for each of the 11 claims on the properties. As of June 30, 2024, the Company had \$1,100 (December 31, 2023 - \$1,100) payable outstanding.

The land position of the Santa Maria Property is now 1,554 hectares (3,840 acres).

Howie Lake Property:

On September 9, 2022, the Company purchased 64 claims (1,000 hectares) (hereinafter known as the “Howie Lake Property”) located SE of Dryden, Ontario. The Howie Lake property is subject to a 0.5% royalty with a buyback option at any time for \$500,000. Pursuant to the agreement, the Company paid \$10,000 and issued 50,000 common shares of the Company with a fair value of \$0.085 per share. (Note 5b).

On April 22, 2023, the Company entered into a non-arm’s length transaction, a Sale of Mining Claims with URSA to purchase 100% interest in 11 claims located 40 km SE of Dryden, Ontario for total consideration of \$1,100, comprised of 5 Howie Lake Claims. Pursuant to the agreement, the Company is to pay \$100 for each of the 11 claims on the properties. As of June 30, 2024, the Company had \$1,100 (December 31, 2023 - \$1,100) payable outstanding.

The land position of the Howie Lake Property is now 4,396 hectares (10,863 acres).

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5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Alto-Gardnar Property:

On September 29, 2022, the Company purchased a 15-claim block (315 hectares) (hereinafter known as the “Alto-Gardnar Property”) located 50 km east of Dryden, Ontario. The Alto-Gardnar Property is subject to a 0.5% royalty with a buyback option at any time for \$500,000. Pursuant to the agreement, the Company issued 275,000 common shares of the Company with a fair value of \$0.085 per share. (Note 5b)

On April 22, 2023, the Company entered into a non-arm’s length transaction, a Sale of Mining Claims with URSA to purchase 100% interest in 11 claims located 40 km SE of Dryden, Ontario for total consideration of \$1,100, comprised of 5 Alto-Gardnar claims. Pursuant to the agreement, the Company is to pay \$100 for each of the 11 claims on the properties. As of June 30, 2024, the Company had \$1,100 (December 31, 2023 - \$1,100) payable outstanding.

The land position of the Alto-Gardnar Property is now 750 hectares (1,853 acres).

Tabor Lake Property:

On May 23, 2023, the Company closed the acquisition of the Tabor Lake Property for the asset purchase agreement dated October 13, 2022 to purchase 100% interest in a lease block located approximately 40 km SE of Dryden, known as the Tabor Lake Mine (257.1 hectares) and issued 330,000 common shares at a fair market value of \$0.07 per share for total consideration of \$23,100, on satisfaction of all closing conditions, subject to 1.5% royalty with a buyback option at any time for \$750,000.

The land position of the Tabor Lake Property is now 257 hectares (635 acres).

On August 14, 2023, the Company obtained the Tabor Lake drilling permit and has executed the drilling program.

Sakoose Gold Project:

On October 6, 2023, the Company entered into an option agreement (the “Option”) with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. (collectively, the “Optionors”) for the exclusive option to acquire a 100% undivided interest in 19 mining claims situated within the province of Ontario (the “Property”), subject to a 1.5% production royalty of the net smelter returns.

In consideration for the grant of the Option, the Company shall pay the Optionors a total of up to \$68,000 in cash payments and issue to the Optionors, a total of 200,000 common shares of the Company with the following payment terms:

- (i) pay \$8,000 cash payment to the Property Owners upon execution of the Agreement and issue 200,000 common shares within 7 business days of signing the Agreement (Paid and issued);
- (ii) pay \$12,000 cash payment to the Property Owners on the first anniversary of signing the Agreement;
- (iii) pay \$18,000 cash payment to the Property Owners on the second anniversary of signing the Agreement; and
- (iv) pay \$30,000 cash payment to the Property Owners, OR, at the election of the Corporation, \$14,000 cash payment and \$20,000 payable in common shares based on the previous 20-day volume weighted average price on the third anniversary of signing the Agreement.

The land position of the Sakoose Gold Project is now 2,704 hectares (6,682 acres).

ASHLEY GOLD CORP.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars - Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Burnthut Property:

On January 2, 2024, the Company purchased 100% of the Burnthut Property, consisting of 63 unpatented mining cells, located SW of Sioux Lookout, Ontario on the Treasury Metals Goliath-Goldlund trend. The property covers approximately 8 km of favourable geology in the central volcanic belt along the Goldlund and Miller gold deposits. Pursuant to the agreement, the Company made \$10,000 cash payment over four months and issued 600,000 shares at fair market value of \$0.055 per share on execution of Agreement and subject to a 1.5% Net Smelter Royalty (NSR) with the option to purchase 0.5% back at \$600,000 reducing the NSR to 1%.

The land position of the Burnthut Property is now 1,453 hectares (3,591 acres).

Sahara Uranium-Vanadium Property

On March 4, 2024, the Company has signed non-binding Letter of Intent (the "LOI") to enter into an Option Agreement for the 100% acquisition of the Sahara Uranium-Vanadium Property located in Emery County, Utah with San Rafael Resources LLC ("the Property Owner").

On April 8, 2024, the Company issued 500,000 common shares of the Company to the Property Owner for signing of the non-binding Letter of Intent (the "LOI") to enter into an Option Agreement for the 100% acquisition of the Sahara Uranium-Vanadium Property located in Emery County, Utah with San Rafael Resources LLC ("the Property Owner") dated on March 4, 2024.

On April 18, 2024, the Company has signed an executive agreement with the Property Owner and agreed to issue additional 4,500,000 common shares of the Company to the Property Owner within 30 days after a completion of a private placement financing for minimum gross proceeds of \$1,000,000.

In order to maintain in force the Option granted, and to exercise the Option, the Corporation must issue the following common shares, make the following cash payments and complete the following expenditures on the Property:

- 1) Drill 1,000 metres on the Property and complete a National Instrument 43-101 Report on the Property within 30 days of the first anniversary of the Option.
- 2) To earn an initial 30% interest to the Property:
 - (i) issue to the Property Owner, or its nominee, 18,500,000 common shares; and
 - (ii) pay USD \$100,000 cash to the Property Owner, or its nominee, within 30 days of the first anniversary of the Option.
- 3) To earn a 50% interest to the Property:
 - (i) issue to the Property Owner, or its nominee, 20,000,000 common shares; and
 - (ii) complete expenditures of USD \$3,000,000 on the Property, within 30 days of the second anniversary of the Option.
- 4) To earn 100% of the Property:
 - (i) issue to the Property Owner, or its nominee, the greater of 36,500,000 common shares and the number of common shares that would result in the aggregate number of common shares issued to the Property Owner pursuant to the Agreement, representing 40% of the issued and outstanding common shares;
 - (ii) pay USD \$1,000,000 cash to the Property Owner, or its nominee;
 - (iii) complete USD \$7,000,000 of expenditures on the Property, within 30 days of the third anniversary of the Option.

In addition, pursuant to Section 3.3 of the Agreement, the Corporation shall issue to the Property Owner, or its nominee, the following common shares on satisfaction of certain uranium targets, as further detailed in the Agreement:

- (a) 10MM pounds of uranium in Preliminary Economic Assessment (as such term is defined in the Agreement), 15,000,000 common shares and USD \$500,000; and
- 30MM pounds of uranium in Preliminary Economic Assessment – 35,000,000 Ashley Shares and USD \$2,500,000.

The land position of the Sahara Uranium-Vanadium Property is now 4,014 hectares (9,919 acres).

ASHLEY GOLD CORP.

Notes to the Condensed Interim Financial Statements
For the three and six months ended June 30, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Cost related to the Company's properties can be summarized as follows as of June 30, 2024 and December 31, 2023:

	Ashley Property	Santa Maria Property	Howie Lake Property	Alto- Gardnar Property	Tabor Lake Property	Sakoose Gold Property	Burnthut Property	Sahara Uranium -Vanadium Property	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2022	583,643	29,984	23,364	24,375	-	-	-	-	661,366
Acquisition cost addition	-	700	500	700	23,100	21,000	-	-	46,000
Exploration cost addition	4,750	9,825	69,603	19,689	163,514	1,600	-	-	268,981
Impairment	(588,393)	-	-	-	-	-	-	-	(588,393)
Balance, December 31, 2023	-	40,509	93,467	44,764	186,614	22,600	-	-	387,954
Acquisition cost addition	-	-	-	-	-	1,250	43,000	37,500	81,750
Exploration cost addition	-	1,560	41,854	800	1,560	800	87,894	36,688	171,156
Recovery refund of exploration cost	-	-	(15,202)	-	(93,570)	-	-	-	(108,772)
Balance, June 30, 2023	-	42,069	120,119	45,564	94,604	24,650	130,894	74,188	532,088

Acquisition and exploration costs incurred during the six-month ended June 30, 2024 include \$182,406 (December 31, 2023 - \$278,881) of cash expenditures and \$70,500 (December 31, 2023 - \$36,100) through the issuance of common shares.

6. SHARE CAPITAL**a) Shares authorized**

Unlimited number of common shares with no par value. Unlimited number of preferred shares.

b) Shares issued:

- (1) On May 23, 2023, the Company acquired the Tabor Lake Property through the issuance of 330,000 common shares with a fair value of \$0.07 per share for total consideration of \$23,100.
- (2) On July 4, 2023, the Company closed a non-brokered private placement of 5,162,915 units for gross proceeds of \$361,404. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 24 months from the closing date of the private placement. The share purchase warrants were ascribed with a value of \$152,569.

In connection with the non-brokered private placement, the Company paid cash finders' fees of \$20,688 and issued 295,536 agent warrants. Each agent warrant is exercisable into one common share at exercise price of \$0.12 for a period of 24 months.

- (3) On September 21, 2023, the Company issued 277,778 units as payment for a due diligence fee. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 36 months from the date issued.

ASHLEY GOLD CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Expressed in Canadian Dollars - Unaudited)

6. SHARE CAPITAL (Cont'd)

b) Shares issued (Cont'd):

- (4) On October 4, 2023, the Company closed a non-brokered private placement of 4,166,667 units for gross proceeds of \$300,000 at a price of \$0.072. Each unit was comprised of one common share and one share purchase warrant exercisable at \$0.12, expiring 36 months from the closing date of the private placement. The share purchase warrants were ascribed a value of \$247,094. Pursuant to the agreement, the proceeds are to be paid in installments over a 12-month period from the closing date (Note 4).

In connection with the non-brokered private placement, the Company incurred finders' fees of \$24,000 which were paid through the issuance of 333,333 units. Each unit was comprised of one common share and one agent warrant exercisable at \$0.12, expiring 36 months from the closing date of the private placement. \$19,775 was allocated to agent warrants and \$4,225 was allocated to share capital.

- (5) On November 8, 2023, the Company acquired an option in the Sakoose Gold Project through the issuance of 200,000 common shares with a fair value of \$0.065 per share for total consideration of \$13,000.
- (6) On December 4, 2023, the Company closed a non-brokered private placement with 1,036,680 flow-through units at a price of \$0.075 per unit for gross proceeds of \$77,751. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.10 for a period of 24 months. The non-flow-through share purchase warrants were ascribed a value of \$15,952 and \$9,965 was allocated to the flow-through share premium liability.

In connection with the non-brokered private placement, the Company paid cash finders' fees of \$7,475 and issued 99,668 agent warrants. Each agent warrant is exercisable into one common share at exercise price of \$0.075 for a period of 24 months.

- (7) On December 29, 2023, the Company closed a non-brokered private placement with 150,000 flow-through units at a price of \$0.075 per unit for gross proceeds of \$11,250. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flow-through common share at an exercise price of \$0.10 for a period of 24 months. The non-flow-through share purchase warrants were ascribed a value of \$2,639 and \$361 was allocated to the flow-through share premium liability.
- (8) On January 2, 2024, the Company acquired an option in the Burnthut Property through issuance of 600,000 common shares with a fair value of \$0.055 per share for a total consideration of \$33,000.
- (9) On March 21, 2024, the Company closed a non-brokered private placement of 3,657,500 units at \$0.05 per unit for gross proceeds of \$182,875, comprised of one common share and one-half of one common share purchase warrant ("Warrant"). Each common share purchase warrant is exercisable into one common share at an exercise price of \$0.07 for a period of 24 months. In connection with the offering, the Company agreed to pay a total of \$14,750 cash in finders' fees and issue 295,000 finder warrants at an exercise price of \$0.05 expiring 24 months from the closing date of the offering.
- (10) On April 18, 2024, the Company acquired an option in the Sahara Uranium-Vanadium Property through issuance of 500,000 common shares with a fair value of \$0.075 per share for a total consideration of \$37,500.
- (11) On May 15, 2024, the Company closed a non-brokered private placement with 1,500,000 flow-through units at a price of \$0.10 per unit for gross proceeds of \$150,000. Each flow-through unit consists of one flow-through common share and one-half of one non-flow-through common share purchase warrant. Each non-flow-through common share purchase warrant is exercisable into one non-flowthrough common share at an exercise price of \$0.10 for a period of 36 months. In connection with the non-brokered private placement, the Company paid cash finders' fees of \$12,000 and issued 120,000 agent warrants. Each agent warrant is exercisable into one common share at an exercise price of \$0.10 for a period of 36 months.

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Notes to the Condensed Interim Financial Statements
For the three and six months ended June 30, 2024 and 2023
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6. SHARE CAPITAL (Cont'd)**c) Escrow Shares**

On September 20, 2021, the Company entered an escrow agreement between the Company, TSX Trust Company and the security holders. There were 4,940,249 common shares of the Company held in escrow.

10% of the escrowed securities shall be released on the listing date, the remaining 90% of the escrowed securities will be released from escrow in 15% tranches at six-month intervals over a 36-month period.

As at June 30, 2024, 2,111,962 (December 31, 2023 – 2,223,118) shares were held in escrow.

d) Stock Options

On April 19, 2023, the Company granted incentive stock options to directors, officers, and consultants of the Company to purchase an aggregate of 350,000 common shares at an exercise price of \$0.12 per option, pursuant to the Company's Incentive Stock Option Plan. The options vested immediately and are exercisable for a period of five years from the date of grant until April 19, 2028.

On March 21, 2024, the Company granted incentive stock options to directors, officers, and consultants of the Company to purchase an aggregate of 1,000,000 common shares at an exercise price of \$0.10 per option, pursuant to the Company's Incentive Stock Option Plan. The options will be vested immediately and expire after five years until March 21, 2029.

Using the Black-Scholes, the fair value of the stock options granted during three months ended June 30, 2024 and the year ended December 31, 2023 was estimated to be \$0.05 and \$0.07 per option, respectively by using the following assumptions at the measurement date:

Date of Issuance	April 19, 2023	March 21, 2024
Number of stock options	350,000	1,000,000
Dividend yield	0%	0%
Expected volatility	120%	116%
Risk-free interest rate	3.75%	4.75%
Forfeiture rate	0%	0%
Share price – on issuance	\$0.08	\$0.06
Exercise price	\$0.12	\$0.10
Term	60 months	60 months
Fair value per option	\$0.07	\$0.0466
Fair value of options	\$22,859	\$46,639

During the six months June 30, 2024, the Company had \$46,639 (June 30, 2023 - \$Nil) stock-based compensation recorded.

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6. SHARE CAPITAL (Cont'd)**d) Stock Options (Cont'd)**

A summary of stock option activity as at June 30, 2024 and December 31, 2023 is as follows:

	Number of options - outstanding and exercisable	Weighted average exercise price	Weighted Average Remaining Contractual Life (Years)
Balance, December 31, 2022	1,382,337	\$ 0.25	3.71
Grant on April 19, 2023	350,000	\$ 0.12	4.30
Balance, December 31, 2023	1,732,337	\$ 0.22	3.03
Grant on March 21, 2024	1,000,000	\$ 0.10	4.97
Balance, June 30, 2024	2,732,337	\$ 0.18	3.63

e) Warrants**(i) Share Purchase Warrants:**

As at June 30, 2024, there were 14,637,612 (December 31, 2023 – 12,058,262) share purchase warrants outstanding and the fair value of the share warrants granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Date of Issuance	March 21, 2024	May 15, 2024
Number of share purchase warrants	1,828,750	750,000
Dividend yield	0%	0%
Expected volatility	83.30%	114.42%
Risk-free interest rate	4.75%	4.75%
Forfeiture rate	0%	0%
Share price – on issuance	\$0.06	\$0.085
Exercise price	\$0.07	\$0.16
Term	24 months	36 months
Fair value per warrant	\$0.0256	\$0.0506
Fair value of warrants	\$46,898	\$37,942

Date of Issuance	July 4, 2023	October 4, 2023	December 4, 2023	December 29, 2023
Number of share purchase warrants	5,162,915	4,166,667	1,036,680	150,000
Dividend yield	0%	0%	0%	0%
Expected volatility	93.12%	123.88%	87.96%	86.11%
Risk-free interest rate	4.75%	4.75%	4.75%	4.75%
Forfeiture rate	0%	0%	0%	0%
Share price – on issuance	\$0.075	\$0.09	\$0.05	\$0.055
Exercise price	\$0.12	\$0.12	\$0.10	\$0.10
Term	24 months	36 months	24 months	24 months
Fair value per warrant	\$0.0296	\$0.0459	\$0.0155	\$0.0178
Fair value of warrants	\$152,569	\$247,094	\$15,952	\$2,639

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6. SHARE CAPITAL (Cont'd)**e) Warrants (Cont'd)****(i) Share Purchase Warrants (Cont'd):**

	Number of warrants	Weighted average exercise price	Weighted average remaining contractual life (Years)
Balance, December 31, 2022	8,542,000	\$ 0.28	1.01
Issued on:			
July 4, 2023	5,162,915	\$ 0.12	1.51
October 4, 2023	4,166,667	\$ 0.12	2.76
December 4, 2023	1,036,680	\$ 0.10	1.93
December 29, 2023	150,000	\$ 0.10	2.00
Expired	(7,000,000)	(\$ 0.10)	-
Balance, December 31, 2023	12,058,262	\$ 0.13	1.90
Issued on:			
March 21, 2024	1,828,750	\$ 0.07	1.72
May 15, 2024	750,000	\$ 0.16	2.92
Balance, June 30, 2024	14,637,012	\$ 0.12	2.32

(ii) Agent's warrants:

As at June 30, 2024, there were 1,516,675 (December 31, 2023 – 1,101,675) agent's warrants outstanding and the fair value of the share warrants granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Date of Issuance	March 21, 2024	
Number of agent's warrants	295,000	120,000
Dividend yield	0%	0%
Expected volatility	83.30%	97.58%
Risk-free interest rate	4.75%	4.75%
Forfeiture rate	0%	0%
Share price – on issuance	\$0.06	\$0.085
Exercise price	\$0.05	\$0.10
Term	24 months	36 months
Fair value per warrant	\$0.0312	\$0.0508
Fair value of warrants	\$9,215	\$6,096

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6. SHARE CAPITAL (Cont'd)**e) Warrants (Cont'd)**

(ii) Agent's warrants (Cont'd):

Date of Issuance	July 4, 2023	September 21, 2023	October 4, 2023	December 4, 2023
Number of agent's warrants	295,536	277,778	333,333	99,668
Dividend yield	0%	0%	0%	0%
Expected volatility	93.12%	123.88%	123.88%	87.98%
Risk-free interest rate	4.75%	4.75%	4.75%	4.75%
Forfeiture rate	0%	0%	0%	0%
Share price – on issuance	\$0.075	\$0.09	\$0.09	\$0.055
Exercise price	\$0.12	\$0.12	\$0.12	\$0.075
Term	24 months	36 months	36 months	24 months
Fair value per warrant	\$0.0296	\$0.0626	\$0.0593	\$0.0192
Fair value of warrants	\$8,719	\$17,393	\$19,775	\$1,910

	Number of warrants	Weighted average exercise price	Weighted average remaining contractual life (Years)
Balance, December 31, 2022	795,360	\$ 0.10	0.95
Issued on:			
July 4, 2023	295,536	\$ 0.12	1.51
September 21, 2023	277,778	\$ 0.12	2.73
October 4, 2023	333,333	\$ 0.12	2.76
December 4, 2023	99,668	\$0.075	1.93
Expired	(700,000)	(\$0.10)	-
Balance, December 31, 2023	1,101,675	\$ 0.11	2.18
Issued on:			
March 21, 2024	295,000	\$ 0.10	1.72
May 15, 2024	120,000	\$ 0.10	2.97
Balance, June 30, 2024	1,516,675	\$ 0.11	2.32

As of June 30, 2024, the fair value of the outstanding warrants was \$761,402 (December 31, 2023 - \$661,093), comprised of \$667,317 (December 31, 2023 - \$582,318) for share purchase warrants granted and \$94,085 for agent's warrants (December 31, 2023 - \$78,775).

7. FLOW-THROUGH SHARE PREMIUM LIABILITY

	June 30, 2024	December 31, 2023
Balance, beginning	\$ -	\$ -
Share premium liability on flow-through shares (Note 6b-6)	-	9,965
Share premium liability on flow-through shares (Note 6b-7)	-	361
Balance, ending	\$ -	\$10,326

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8. RELATED PARTY TRANSACTIONS

Key management personnel consist of the officers and directors of the Company and companies owned or controlled by the officers and directors of the Company.

During the six months ended June 30, 2024, an entity controlled by the CEO and director of the Company charged \$48,000 (June 30, 2023 - \$36,000) in management fees. As of June 30, 2024, the Company advanced \$14,087 to the CEO for operating expenses to the related party and as of June 30, 2024, the Company had an aggregate of \$Nil (December 31, 2023 - \$314) due to the CEO of the Company.

During the six months ended June 30, 2024, an entity controlled by the CFO of the Company charged \$12,000 (June 30, 2023 - \$12,000) in management fees. As of June 30, 2024, the Company had an aggregate of \$6,300 (December 31, 2023 - \$10,559) comprised of management fees and operating expenses due to the related party.

During the six months ended June 30, 2024, an entity controlled by a director and the former CEO of the Company charged \$10,000 (June 30, 2023 - \$12,000) in management or director fees. As of June 30, 2024, the Company had an aggregate of \$Nil (December 31, 2023 - \$8,714) comprised of management fees and operating expenses due to the related party.

On April 22, 2023, the Company entered into a non-arm's length transaction with URSA to purchase a 100% interest in 11 claims located 40 km SE of Dryden, Ontario for total consideration of \$1,100, comprised of 1 Santa Maria Claim, 5 Howie Lake claim, and 5 Alto-Gardnar Claims. Pursuant to the agreement, the Company is to pay \$100 for each of the 11 claims on the properties. As of June 30, 2024, the Company had \$1,100 (December 31, 2023 - \$1,100) payable outstanding.

All related party transactions were entered into in the normal course of business and are recorded at the exchange amount established and agreed to between the related parties.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers capital to consist of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company will rely on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the periods ended June 30, 2024 and December 31, 2023.

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10. FINANCIAL INSTRUMENTS**a. Fair value**

The fair value of the Company's cash, due from related party, and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

As at:	June 30, 2024	December 31, 2023
Financial assets:		
Amortized cost		
Cash	\$ 6,558	\$ 22,171
Due from a related party	\$ 14,087	\$ 3,220
FVTPL		
Other receivables	\$ 140,388	\$ 117,772
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	\$ 91,398	\$ 116,887
Due to related parties	\$ 7,400	\$ 20,373

The other receivables are measured using level 1.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

b. Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Company had cash of \$6,558 (December 31, 2023 - \$22,171) to settle the total current liabilities of \$98,798 (December 31, 2023 - \$147,586). As at June 30, 2024, the total working capital of the Company was \$126,542 (December 31, 2023 - \$53,828). The Company believes that these sources will be sufficient to cover the expected short- and long-term cash requirements, and by raising funds from private placements.

c. Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash and due from related parties. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

d. Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Management does not believe that the Company is exposed to any material interest rate or foreign exchange risk. It is subject to equity price risk due to the value of its other receivables being linked to the Company's share price.

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11. SUBSEQUENT EVENT

Private Placement

On July 29, 2024, the Company closed a non-brokered private placement with 2,464,000 units at a price of \$0.075 per unit for gross proceeds of \$184,800. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant is exercisable into one common share at an exercise price of \$0.12 for a period of 36 months.

In connection with the non-brokered private placement, the Company paid cash finders' fees of \$9,480 and issued 126,400 agent warrants. Each agent warrant is exercisable into one common share at an exercise price of \$0.075 for a period of 36 months.