QUESTCORP MINING INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JULY 31, 2023 AND 2022

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Questcorp Mining Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Questcorp Mining Inc. (the "Company"), which comprise the statements of financial position as at July 31, 2023 and 2022, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has incurred lossess since its inception. As stated in Note 1, the Company's ability to continue as a going concern is dependent upon its ability to raise adequate financing and to develop profitable operations. These events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3 – Material Accounting policies- Exploration and evaluation assets, and Note 5 – Exploration and evaluation assets Management assesses at each reporting period whether there is an indication that the carrying value of the exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment,

impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the mineral properties. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
November 20, 2023

QUESTCORP MINING INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT

	Note		July 31, 2023		July 31, 2022
ASSETS					
Current					
Cash		**$**	**64,325**	$	32,998
Receivables			**7,667**		-
Prepaids			**25,000**		-
Total current assets			**96,992**		32,998
Non-current					
Exploration and evaluation assets	5		**132,904**		116,754
Total assets		**$**	**229,896**	$	149,752
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	7	**$**	**74,491**	$	14,693
Non-Current liabilities					
Deferred income taxes	10		**-**		16,958
Total liabilities			**74,491**		31,651
Shareholders' equity					
Share capital	6		**402,750**		120,250
Share subscription received in advance	6		**-**		52,000
Deficit			**(247,345)**		(54,149)
Total shareholders' equity			**155,405**		118,101
Total liabilities and shareholders' equity		**$**	**229,896**	$	149,752

Nature of operations and going concern (Note 1)

Approved and authorized for issuance by the Board of Directors on November 20, 2023:

"Satvir (Saf) Dhillon" Director "Tim Henneberry" Director

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

QUESTCORP MINING INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	Year ended July 31, 2023	Year ended July 31, 2022
EXPENSES			
Accounting and audit		$ 31,000	$ 2,250
Bank charges		569	390
Consulting fees	7	62,500	25,200
Legal		64,490	5,497
Office and administration		6,142	2,680
Rent	7	7,000	-
Filing fees		17,477	-
Travel		20,976	-
Loss before income taxes		(210,154)	(36,017)
Deferred income tax recovery (expense)	10	16,958	(16,958)
Loss and comprehensive loss for the year		$ (193,196)	$ (52,975)
Basic and diluted loss per common share		$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding, basic and diluted		10,547,122	5,450,958

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

QUESTCORP MINING INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	Year ended July 31, 2023	Year ended July 31, 2022
OPERATING ACTIVITIES		
Net loss for the year	$ (193,196)	$ (52,975)
Add (deduct) non-cash items:		
Deferred income tax (recovery) expense	(16,958)	16,958
Changes in non-cash working capital items:		
Receivables	(7,667)	-
Prepaids	(25,000)	-
Accounts payable and accrued liabilities	59,798	14,693
Cash used in operating activities	(183,023)	(21,324)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(16,150)	(116,754)
Cash used in investing activities	(16,150)	(116,754)
FINANCING ACTIVITIES		
Shares issued for cash	230,500	120,250
Share subscriptions received in advance	-	50,000
Cash provided by financing activities	230,500	170,250
Change in cash	31,327	32,172
Cash, beginning of year	32,998	826
Cash, end of year	$ 64,325	$ 32,998

There were no significant non-cash transactions of the Company for the years ended July 31, 2023 and 2022.

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

QUESTCORP MINING INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	Number of Shares	Share Capital	Share Subscription Received in Advance	Deficit	Total
Balance, July 31, 2021	**1**	**$ -**	**$ 2,000**	**$ (1,174)**	**$ 826**
Shares issued for cash	7,250,000	120,250	-	-	120,250
Share subscriptions returned	-	-	50,000	-	50,000
Share cancellation	(1)	-	-	-	-
Loss for the year	-	-	-	(52,975)	(52,975)
Balance, July 31, 2022	**7,250,000**	**120,250**	**52,000**	**(54,149)**	**118,101**
Shares issued for cash	5,650,000	282,500	(52,000)	-	230,500
Loss for the year	-	-	-	(193,196)	(193,196)
Balance, July 31, 2023	**12,900,000**	**$ 402,750**	**$ -**	**$ (247,345)**	**$ 155,405**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Questcorp Mining Inc. (the "Company") was incorporated under the laws of British Columbia on April 9, 2021. The head office of the Company is located at Suite 250, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7 and the registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at July 31, 2023, the Company had a working capital of $22,501 (2022 - $18,305) and an accumulated deficit of $247,345 (2022 - $54,149). These factors cast a significant doubt on the Company's ability to continue as a going concern. 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.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus has severely limited the mobility of people and businesses, which in turn impacted the Company's abilities to continue with any drilling program or raise the necessary funds. However, it is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

2. BASIS OF PREPARATION

These financial statements of the Company for the years ended July 31, 2023 and 2022 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

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

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 year. Actual results could differ from these estimates.

2. BASIS OF PREPARATION (continued)

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.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all period presented in these financial statements, unless otherwise indicated.

Cash

Cash includes cash on hand and deposits held with financial institutions.

Financial instruments

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial Instrument	IFRS 9 Classification
Cash	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial instruments

At each reporting date, the Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Exploration and evaluation assets

Costs related to pre-exploration are expensed as incurred while costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property until the commencement of commercial production. Each of the Company's exploration and evaluation assets is considered to be a cash generating unit. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

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 year 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.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation, and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any significant rehabilitation obligations.

3. MATERIAL ACCOUNTING POLICIES (continued)

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is antidilutive.

Income taxes

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

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

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

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-Through Shares

On issuance of flow-through shares, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

4. RECEIVABLES

The Company's receivables arise from goods and services tax ("GST") receivable due from the Canadian taxation authorities.

	July 31, 2023	July 31, 2022
GST receivable	$ 7,667	$ -

5. EXPLORATION AND EVALUATION ASSETS

	North Island, BC, Canada	Total
ACQUISITION		
Balance, July 31, 2021	**$ -**	**$ -**
Property payments	10,000	10,000
Balance, July 31, 2022 and 2023	**$ 10,000**	**$ 10,000**
EXPLORATION		
Balance, July 31, 2021	**$ -**	**$ -**
Field work	106,754	106,754
Balance, July 31, 2022	106,754	106,754
Technical reporting	16,150	16,150
Balance, July 31, 2023	**$ 122,904**	**$ 122,904**
CARRYING VALUE		
July 31, 2021	$ -	$ -
July 31, 2022	$ 116,754	$ 116,754
July 31, 2023	**$ 132,904**	**$ 132,904**

5. EXPLORATION AND EVALUATION ASSETS (continued)

North Island Copper Property, BC, Canada

On October 4, 2021, the Company entered into an option agreement to acquire a 100% interest in the North Island Copper Property (the "Property") with a third party. Following the exercise of the option, the Property will remain subject to a 3% net smelter return royalty ("NSR"). The Company may purchase the first 1% of the NSR for $750,000 and may purchase the remaining 2% of the NSR for an additional $1,000,000.

Pursuant to the option agreement, the Company is required to complete the following:

(1) to acquire a 51% interest in the Property, the Company shall pay $10,000 to the vendor upon the effective date of the Option Agreement (paid);

(2) to acquire an additional 49% interest in the Property, the Company shall: (i) pay a total of $85,000 to the vendor; (ii) issue a total of 2,200,000 common shares; and (iii) spend a total of $500,000 on exploration expenditures on the Property as set out below:

- (a) the Company shall issue the common shares as follows:
  - (i) 2,000,000 common shares upon the date listed on a Canadian exchange ("Listing Date");
  - (ii) 100,000 common shares within the first anniversary of the Listing Date;
  - (iii) 50,000 common shares within the second anniversary of the Listing Date; and
  - (iv) 50,000 common shares within third anniversary of the Listing Date,
- (b) the Company shall pay the cash portion as follows:
  - (i) $10,000 upon the Listing Date;
  - (ii) $10,000 on or before the first anniversary of the Listing Date;
  - (iii) $5,000 on or before the second anniversary of the Listing Date; and
  - (iv) $60,000 on or before the third anniversary of the Listing Date,
- (c) the Company shall make the exploration expenditures on the Property according to the following schedule:
  - (i) $80,000 on or before the first anniversary of the Listing Date;
  - (ii) $100,000 on or before the second anniversary of the Listing Date; and
  - (iii) $320,000 on or before the third anniversary of the Listing Date.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares without par value. At July 31, 2023, there were 12,900,000 (2022 - 7,250,000) common shares outstanding of which 7,910,000 are held in escrow.

During the year ended July 31, 2023, the Company:

a) Issued 5,650,000 common shares at a price of $0.05 per share for gross proceeds of $282,500, of which $52,000 was received during the year ended July 31, 2022.

During the year ended July 31, 2022, the Company:

a) Cancelled 1 common share originally issued on incorporation.

b) Received $2,500 in share subscription proceeds which were returned to the subscriber during the year ended July 31, 2022.

c) Issued 2,050,000 common shares at a price of $0.005 per share for gross proceeds of $10,250.

d) Issued 5,000,000 flow-through units at a price of $0.02 per share for gross proceeds of $100,000. Each unit consists of one flow-through common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.05 per share expiring November 5, 2026. The Company did not recognize any flow-through liability from this issuance as there was no estimated premium paid.

e) Issued 200,000 common shares at a price of $0.05 per share for gross proceeds of $10,000.

f) Received $52,000 in subscription proceeds.

Warrants

As at July 31, 2023 there were 3,000,000 share purchase warrants held in escrow.

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, July 31, 2021	-	-
Issued	5,000,000	0.05
Balance, July 31, 2022 and 2023	5,000,000	0.05

As at July 31, 2023, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
5,000,000	0.05	November 5, 2026
5,000,000		

No stock options were outstanding as at or during the years ended July 31, 2023 and 2022.

7. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the year ended July 31, 2023, the Company incurred $52,500 (2022 - $24,000) in consulting fees and $7,000 (2022 - $nil) in rent to a company controlled by a director of the Company. As at July 31, 2023, there was $nil (2022 - $12,600) owing to this company for consulting fees and rent, included in accounts payable and accrued liabilities. These amounts are non-interest bearing with no stated terms of payment.

As at July 31, 2023, there was $nil (2022 - $1,158) due to a director of the Company for expense reimbursements, included in accounts payable and accrued liabilities. This amount is non-interest bearing with no stated terms of payment.

8. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at July 31, 2023, the Company is not subject to externally imposed capital requirements.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at July 31, 2023, the Company had a cash balance of $64,325. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

(c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. The carrying amount of financial assets represents the maximum credit exposure.

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

(d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

(e) Interest rate risk

The Company is not exposed to interest rate risk.

(f) Fair values

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.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair values of other financial instruments, including receivables and accounts payable and accrued liabilities, are equal to their carrying values due to the short-term nature of these instruments.

9. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and development of exploration and evaluation assets in Canada.

(Expressed in Canadian Dollars)

10. INCOME TAXES

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

	Year ended July 31, 2023	**Year ended July 31, 2022**
Loss for the year	(193,196)	(36,017)
	27.00%	27.00%
Expected tax recovery	(52,163)	(9,725)
Change in unrecognized deferred income tax assets	35,205	(317)
Flow through expenditure incurred	-	27,000
Income tax expense (recovery)	(16,958)	16,958

Details of deferred income tax assets are as follows:

	Year ended July 31, 2023	**Year ended July 31, 2022**
Deferred tax assets (liabilities)		
Exploration and evaluation assets	(27,000)	(27,000)
Non-capital losses	62,205	10,042
Valuation allowance	(35,205)	-
Deferred income tax asset (liability)	-	(16,958)

The Company has unused non-capital losses of approximately $230,387 that expire between 2041 and 2043.

11. INITIAL PUBLIC OFFERING

In June 2023, the Company filed a final long form prospectus offering through its agent, Canaccord Genuity Corp., of up to 5,000,000 common shares of the Company at a price of $0.10 per common share for gross proceeds of up to $500,000.