QUESTCORP

MINING INC.

Financial Statements

FOR THE YEARS ENDED JULY 31, 2024 AND 2023

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, 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 a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2024 and 2023 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 losses 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 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 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 2b – Material accounting information-Exploration and evaluation assets, and Note 3 – 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 impairment testing. Internal and external factors, such as	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, including consideration of evidence obtained in

(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.	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 21, 2024

Questcorp Mining Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note(s)		July 31, 2024		July 31, 2023
ASSETS					
Current assets:					
Cash		$	178,901	$	64,325
GST recoverable			23,903		7,667
Prepaid expenses			67,688		25,000
Total current assets			270,492		96,992
Non-current assets:					
Exploration and evaluation assets	3		255,370		132,904
Total assets		$	525,862	$	229,896
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	4	$	135,123	$	74,491
			135,123		74,491
SHAREHOLDERS' EQUITY					
Share capital	5		1,167,991		402,750
Contributed surplus	5		39,626		-
Subscription receivable	5		(12,850)		-
Deficit			(804,028)		(247,345)
Total shareholders' equity			390,739		155,405
Total liabilities and shareholders' equity		$	525,862	$	229,896

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

APPROVED ON November 21, 2024 ON BEHALF OF THE BOARD:

"Stavir 'Saf' Dihillon", Director   *"Tim Henneberry"*, Director

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

Questcorp Mining Inc.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note(s)		Year-ended July 31, 2024		Year-ended July 31, 2023
Expenses					
Bank charges and interest		$	613	$	569
Investor relations			133,553		-
Listing and filing fees			14,485		17,477
Consulting fees	6		195,000		62,500
Office and sundry	6		22,777		13,142
Professional fees			112,975		95,490
Travel and conference			76,839		20,976
Loss before the undernoted			(556,242)		(210,154)
Other income (expenses)					
Interest income			212		-
Foreign Exchange			(653)		-
Loss before income taxes			(556,683)		(210,154)
Deferred tax recovery			-		16,958
Total comprehensive loss for the year		$	(556,683)	$	(193,196)
Basic and diluted income (loss) per common share		$	(0.06)	$	(0.04)
Weighted average number of common shares outstanding			9,151,093		5,273,561

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

Questcorp Mining Inc.

Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year-ended July 31, 2024		Year-ended July 31, 2023
Cash flows from operating activities:				
Net loss for the year	$	(556,683)	$	(193,196)
Items not involving cash:				
Deferred income tax recovery		-		(16,958)
Changes in non-cash working capital:				
GST recoverable		(16,236)		(7,667)
Prepaid expenses		(42,688)		(25,000)
Accounts payable and accrued liabilities		60,632		59,798
Net cash used in operating activities		(554,975)		(183,023)
Cash flows from investing activities:				
Exploration and evaluation assets		(12,466)		(16,150)
Net cash used in investing activities		(12,466)		(16,150)
Cash flows from financing activities:				
Share issuance for cash		837,150		230,500
Share issuance costs		(155,133)		-
Net cash provided by financing activities		682,017		230,500
Net increase in cash		114,576		31,327
Cash, beginning of the year		64,325		32,998
Cash, end of the year	$	178,901	$	64,325

Supplemental Schedule of Non-Cash Investing and Financing Activities				
Fair value of finder's warrants	$	39,626	$	-
Shares issued for Rich River Exploration Ltd.	$	110,000	$	-

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

Questcorp Mining Inc.
Statements of Changes in Shareholder's Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of shares	Amount	Contributed surplus	Subscription received	Deficit	Total shareholders' equity
Balance at July 31, 2022	**3,625,000**	**$ 120,250**	**$ -**	**$ 52,000**	**$ (54,149)**	**$ 118,101**
Shares issued for private placement	2,825,000	282,500	-	(52,000)	-	230,500
Net loss for the year	-	-	-	-	(193,196)	(193,196)
Balance at July 31, 2023	**6,450,000**	**402,750**	**-**	**-**	**(247,345)**	**155,405**
Shares issued for private placement	7,549,999	850,000	-	-	-	850,000
Share issuance costs – cash	-	(155,133)	-	-	-	(155,133)
Shares issuance costs – finders warrants	-	(39,626)	39,626	-	-	-
Shares issued for property acquisition	1,000,000	110,000	-	-	-	110,000
Subscription received	-	-	-	(12,850)	-	(12,850)
Net loss for the year	-	-	-	-	(556,683)	(556,683)
Balance at July 31, 2024	**14,999,999**	**$ 1,167,991**	**$ 39,626**	**$ (12,850)**	**$ (804,028)**	**$ 390,739**

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

1. Nature of operations and going concern

Questcorp Mining Inc. (the "Company" or "Questcorp") was incorporated under the laws of British Columbia on April 9, 2021. The Company's registered and records office is located at Suite 550, 800 West Pender Street, Vancouver, BC, V6C 2V6.

During the year ended July 31, 2024, the Company completed its initial public offering (Note 5) and its common shares were listed on the Canadian Securities Exchange on December 11, 2023, under the trading symbol QQQ.

On May 22, 2024, all issued and outstanding common shares of the Company were consolidated on a 2:1 basis. All references to share, option, warrant and per share amounts have been retroactively restated to reflect the share consolidation.

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, 2024, the Company had a working capital of $135,369 (2023 - $22,501) and an accumulated deficit of $804,028 (2023 - $247,345). Questcorp may be required to delay discretionary expenditures if additional financing cannot be obtained on reasonable terms. Failure to obtain additional financing when required may result in the loss of some, or all, of the Company's exploration and evaluation assets (Note 3). These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. Material accounting information, estimates and judgements

a) Basis of presentation

These financial statements of the Company have been prepared in accordance with International Accounting Standards 1, Presentation of Financial Statements ("IAS 1") 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"). 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 financial statements are presented in Canadian dollars, which is the Company's functional currency.

b) 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.

c) Restoration, rehabilitation and environmental costs

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 environmental 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.

d) Income taxes

Tax expense comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date. As the Company is in a loss position there is no current tax payable.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

e) Impairment

Non-financial assets

At each reporting date the carrying amounts of Questcorp's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated 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, which is the present value of future cash flows expected to be derived from the asset or its related cash generating unit. For purposes of impairment testing, assets are grouped at the lowest levels that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the associated assets are reduced to their recoverable amount and the impairment loss is recognized in profit or loss for the period.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment charge is reversed through profit or loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any applicable depreciation, if no impairment loss had been recognized.

f) financial instruments

Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, Fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Fair value through other comprehensive income ("FVTOCI") – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Pursuant to IFRS 9, Questcorp classifies its financial instruments as follows:

Cash	FVTPL
Accounts payable, Accrued liabilities	Amortized cost
Loan payable	Amortized cost

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in the consolidated statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI. Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

g) Loss per common share

Basic loss per common share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The computation of diluted loss per common share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The effect of potential issuances of shares from the exercise of outstanding options and warrants would be anti-dilutive for the periods presented and accordingly, basic and diluted loss per share are the same.

h) Use of estimates and judgments

The following are the critical judgments and estimates that Questcorp has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements.

Critical judgments

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting the financial statements include:

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, Questcorp would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Questcorp's exploration and evaluation assets do not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

(Expressed in Canadian Dollars)

i) Share capital

Common shares

Common shares and warrants are classified as equity. Incremental costs directly attributable to the issue of common shares, including warrants, are recognized as a reduction of equity, net of tax. Questcorp uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the day prior to the issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

j) 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.

k) Recent accounting pronouncements:

There were no new accounting standards or amendments to standards that were applicable to the Company for the year ended July 31, 2024 nor does the Company expect any that have not yet become effective to have a significant impact on its financial statements.

3. Exploration and evaluation assets

		North Island, BC, Canada		Total
ACQUISITION				
Balance July 31, 2022, and 2023	**$**	**10,000**	**$**	**10,000**
Acquisition costs		120,500		120,500
Balance July 31, 2024		**130,500**		**130,500**
EXPLORATION				
Balance July 31, 2022		**106,754**		**106,754**
Technical reporting		16,150		16,150
Balance July 31, 2023		**122,904**		**122,904**
Field and camp costs		5,196		5,196
Cost recoveries		(3,230)		(3,230)
Balance July 31, 2024	**$**	**124,870**	**$**	**124,870**
CARRYING VALUE				
July 31, 2023	$	132,904	$	132,904
July 31, 2024	**$**	**255,370**	**$**	**255,370**

(Expressed in Canadian Dollars)

a) General
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: (a) pay a total of $85,000 to the vendor; (b) issue a total of 1,100,000 common shares; and (c) spend a total of $500,000 on exploration expenditures on the Property as set out below:

(a) the Company shall pay the cash portion as follows:

(i) $10,000 upon the Listing Date (paid);

(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,

(b) the Company shall issue the common shares as follows:

(i) 1,000,000 common shares upon the date listed on a Canadian exchange ("Listing Date") (issued);

(ii) 50,000 common shares within the first anniversary of the Listing Date;

(iii) 25,000 common shares within the second anniversary of the Listing Date; and

(iv) 25,000 common shares within 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 (incurred);

(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.

4. Accounts payable

	July 31, 2024	July 31, 2023
Accounts payable	$ 105,123	$ 51,491
Accrued liabilities	30,000	23,000
Ending balance	$ 135,123	$ 74,491

5. Share Capital

a) Authorized

As at July 31, 2024, there were an unlimited number of common voting shares without par value authorized.

(Expressed in Canadian Dollars)

b) Issued

Year ended July 31, 2024

During the year ended July 31, 2024, the following events took place:

- On December 12, 2023, Questcorp completed its initial public offering by issuing 2,500,000 common shares at $0.20 per share for gross proceeds of $500,000. The agent received a cash commission $50,000 and corporate finance fees of $25,000 in cash, 50,000 common shares at $0.20 per share for a value of $10,000 and 250,000 agent's warrants valued at $36,154 using the Black Scholes Model, with each agent warrant exercisable for one common share at a price of $0.20 until December 12, 2025. The Company incurred an additional $72,741 of cash share issuance costs in relation to the initial public offering.

- Issued 1,000,000 common shares at a value of $110,000 for the property option agreement (Note 3).

- On June 28, 2024, the Company completed a non-brokered private placement offering (the "Offering") of 4,999,999 units (each, a "Unit") at a price of $0.07 per Unit for gross proceeds of $350,000. Each Unit consists of one common share of the Company and one common share purchase warrant entitling the holder to acquire a further common share of the Company at a price of $0.10 per share for a period of two years. In connection with the private placement the Company paid finder's fee of $7,392 and issued 57,600 finders' warrants valued at $3,472 using the Black Scholes Model, which each finder warrant exercisable for one common share at a price of $0.10 until June 28, 2026.

Year ended July 31, 2023

During the year ended July 31, 2023, Questcorp issued 2,825,000 common shares at a price of $0.10 per share for gross proceeds of $282,500, of which $52,000 was received during the year ended July 31, 2022.

c) Warrants

The changes in warrants issued are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding Warrants, July 31, 2022	-	$ -
Issued	2,500,000	$0.10
Outstanding Warrants, July 31, 2023	2,500,000	$0.10
Issued	5,307,599	$0.10
Outstanding Warrants, July 31, 2024	7,807,599	$0.10

At July 31, 2024, warrants enabling the holders to acquire common shares as follows:

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life in Years
December 12, 2025	$0.20	250,000	1.37
June 28, 2026	$0.10	4,999,999	1.91
June 28, 2026	$0.10	57,600	1.91
November 5, 2026	$0.10	2,500,000	2.27
Weighted average of exercise price and remaining contractual life	$0.10	7,807,599	2.01

The fair value of the finders' warrants issued was estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

(Expressed in Canadian Dollars)

	July 31, 2024
Risk-free interest rate	3.99%-4.22%
Expected dividend yield	0.00
Share price	\$0.075-\$0.200
Expected stock price volatility	150%-190.85%
Average expected warrant life	2 years
Fair value of warrants granted	\$0.06

6. Related Party Transactions

Key management compensation

Key management consists of Questcorp's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. The aggregate value of compensation with key management for the year ended July 31, 2024 was $125,000 (2023 - $52,500) and was comprised of the following:

		Year ended July 31, 2024		Year ended July 31, 2023
Management and consulting fees	$	125,000	$	52,500

The amounts charged to Questcorp for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements.

Related party transactions and balances not disclosed elsewhere in these consolidated financial statements are as follows:

Other related party transactions

During the year ended July 31, 2024, Questcorp incurred a total of $12,000 (2023 - $7,000) in rent from a company owned by the CEO and $36,750 (2023 - $nil) in accounting fees from a company owned by the CFO.

Due to/from related parties

As at July 31, 2024, the Company owed $64,811 (2023 - $nil) to related parties. The amount is included in accounts payable and accrued liabilities. Amounts due to related parties are unsecured, have no fixed repayments and are non-interest bearing.

As at July 31, 2024, there was $8,925 (2023 - $nil) included in prepaid expenses to related parties.

7. Financial Instruments

Categories of financial assets and liabilities

Financial instruments measured at fair value are classified into one of three level 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 Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include capital management, liquidity risk, credit risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and GST recoverable.

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.).

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At July 31, 2024, Questcorp had a cash balance of $178,901 (July 31, 2023 - $64,325) to settle accounts payable and accrued liabilities of $135,123 (July 31, 2023 - $74,491).

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.

(a) Interest rate risk

The Company is not exposed to interest rate risk.

(b) Foreign 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.

8. 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, 2024, the Company is not subject to externally imposed capital requirements.

9. Segment Information

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

10. Income Taxes

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 27% (2023 – 27%) to the income for the year and is reconciled as follows:

(Expressed in Canadian Dollars)

	Year Ended July 31, 2024	Year Ended July 31, 2023
Loss before income taxes	(556,683)	(193,196)
Statutory Canadian federal and provincial tax rates	27%	27%
Expected income tax (recovery)	(150,304)	(52,163)
Change in unrecognized deductible temporary differences	(41,886)	35,205
Adjustment to prior years provision versus statutory tax returns	(3,759)	-
Change in deferred tax assets not recognized	195,949	-
Deferred income tax expense (recovery)	-	(16,958)

The tax effects on the temporary differences that give rise to the Company's deferred tax assets and liabilities are as follows:

		2024		2023
Non-capital losses	$	224,645	$	62,205
Exploration and evaluation assets		(27,000)		(27,000)
Share issuance costs		33,509		
Valuation allowance		(231,154)		(35,205)
Net deferred tax liability	$	-	$	-

The Company has unused no-capital losses of approximately $832,020 (2023 - $230,387) that expire between 2041 and 2044.

Tax attributes are subject to review and potential adjustment by tax authorities.

11. Subsequent events

Subsequent to the year ended July 31, 2024, the following events took place:

- On September 6, 2024, the Company announced that it had entered into a letter of intent with Riverside Resources Inc. ("Riverside"), an arm's-length party, under which the Company will be granted an option (the "Transaction") to acquire a 100% interest in the La Union project (the "Project") located in Sonora, Mexico. In line with the terms of the Transaction, the Company can acquire full ownership of the Project by completing a series of cash payments totalling $100,000, issuing 19.9% of its outstanding common shares, and incurring a minimum of $5,500,000 in exploration expenditures on the Project.

- The Company received $12,850 related to the private placement on June 28, 2024.