

Interim Consolidated Financial Statements of

JAEGER RESOURCES CORP.

9-month periods ended August 31, 2024 and 2023

(Expressed in Canadian Dollars)

JAEGER RESOURCES CORP.

Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	August 31, 2024	November 30, 2023
	\$	\$
Assets		
Current assets		
Cash	128,016	34
Amounts receivable	1,665	2,292
Prepaid expenses	34,028	33,900
Total current assets	163,709	36,226
Non-current assets		
Exploration and evaluation assets (Note 3)	359,584	359,424
Total assets	523,293	395,650
Liabilities and shareholders' equity (deficit)		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	327,525	532,448
Due to related parties (Note 4)	104,903	83,117
Total liabilities	432,428	615,565
Shareholders' equity (deficit)		
Share capital	22,858,609	22,335,819
Share-based payment reserve	3,307,497	3,307,497
Deficit	(26,075,241)	(25,863,231)
Total shareholders' equity (deficit)	90,865	(219,915)
Total liabilities and shareholders' equity (deficit)	523,293	395,650

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on October 23, 2024:

/s/ Alson Niu

Alson Niu, Director

/s/ Don Bossert

Don Bossert, Director

(The accompanying notes are an integral part of these interim consolidated financial statements)

JAEGER RESOURCES CORP.

Interim Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	For the 3-month period ended August 31,		For the 9-month period ended August 31,	
	2024	2023	2024	2023
Expenses				
Consulting fees (Note 4)	\$ 165,000	\$ –	\$ 177,375	\$ –
Directors' fees (Note 4)	4,500	4,000	12,500	12,000
Interest and bank charges	59	50	163	1,682
Insurance	–	3,128	5,015	8,018
Office and miscellaneous	14	1,944	183	2,282
Professional fees	–	336	–	889
Rent (Note 4)	2,730	2,730	8,190	8,190
Transfer agent and regulatory fees	2,190	2,314	8,584	8,726
Total expenses	174,493	14,502	212,010	41,787
Net loss and comprehensive loss for the period	\$ (174,493)	\$ (14,502)	\$ (212,010)	\$ (41,787)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding, basic and diluted	64,853,467	57,460,004	59,933,453	57,460,004

(The accompanying notes are an integral part of these interim consolidated financial statements)

JAEGER RESOURCES CORP.

Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity (deficit)
	Shares #	Amount \$	\$	\$	\$
Balance, November 30, 2022	57,460,004	22,335,819	3,307,497	(25,762,546)	(119,230)
Net loss for the year	—	—	—	(100,685)	(100,685)
Balance, November 30, 2023	57,460,004	22,335,819	3,307,497	(25,863,231)	(219,915)
Shares issued pursuant to private placements (Note 5)	30,000,000	300,000	—	—	300,000
Shares issued pursuant to debt settlements (Note 5)	22,322,970	223,230	—	—	223,230
Share issuance costs	—	(440)	—	—	(440)
Net loss for the period	—	—	—	(212,010)	(212,010)
Balance, August 31, 2024	109,782,974	22,858,609	3,307,497	(26,075,241)	90,865

(The accompanying notes are an integral part of these interim consolidated financial statements)

JAEGER RESOURCES CORP.

Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

For the 9-month periods ended August 31,	2024	2023
	\$	\$
Operating activities		
Net loss	(212,010)	(41,786)
Changes in non-cash operating working capital:		
Amounts receivable	627	5,400
Prepaid expenses	(128)	–
Accounts payable and accrued liabilities	18,147	24,849
Net cash used in operating activities	(193,364)	(11,537)
Investing activities		
Exploration and evaluation asset expenditures	–	(11,193)
Proceeds from government grant for exploration expenditures	–	2,796
Net cash used in investing activities	–	(8,397)
Financing activities		
Proceeds from related parties	21,786	19,891
Proceeds from private placement	300,000	–
Share issuance costs	(440)	–
Net cash provided by financing activities	321,346	19,891
Change in cash	127,982	(43)
Cash, beginning of period	34	76
Cash, end of period	128,016	33
Non-cash investing and financing activities:		
Exploration and evaluation asset additions included in accounts payable and accrued liabilities	160	–
Issuance of shares for debt settlement	223,230	–

(The accompanying notes are an integral part of these interim consolidated financial statements)

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
9-month periods ended August 31, 2024, and 2023
(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Jaeger Resources Corp. (the "Company") was incorporated under the Business Corporations Act of Alberta on November 23, 1993. The Company is an exploration stage company currently focused on the exploration of mineral property interests. It has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts spent for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from disposition of the properties. The operations of the Company will require various licenses and permits from various governmental authorities which may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licenses liable to forfeiture. The Company's registered office is 9320 - 49th Street, Edmonton, AB, Canada, T6B 2L7.

These interim consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the 9-month period ended August 31, 2024, the Company has not generated any revenues and incurred negative cash flow from operations of \$193,364. As at August 31, 2024, the Company has a working capital deficit of \$268,719 and an accumulated deficit of \$26,075,241. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policies

The accounting policies followed in these interim consolidated financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the year ended November 30, 2023, except for the adoption of *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2) and *Presentation of Financial Statements* (Amendments to IAS 1) mentioned in Note 2(m) below. Material accounting policies were adopted by the Company during the 9-month period ended August 31, 2024.

(a) Statement of Compliance and Basis of Presentation

The accompanying interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, "*Interim Financial Reporting*" ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Agave Resources S.A de C.V. located in Mexico. All significant inter-company balances and transactions have been eliminated on consolidation.

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Notes to the Interim Consolidated Financial Statements
9-month periods ended August 31, 2024, and 2023
(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(a) Statement of Compliance and Basis of Presentation (continued)

These interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

(b) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(c) Use of Estimates and Judgments

The preparation of these interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used include, among others, impairment of exploration and evaluation assets and unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the interim consolidated statement of operations in the period when the new information becomes available.

(d) Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

JAEGER RESOURCES CORP.

Notes to the Interim Consolidated Financial Statements
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When a project has been established as commercially viable and technically feasible, related development costs are capitalized into development costs on the interim consolidated statement of financial position. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development costs.

2. Material Accounting Policies (continued)

(d) Exploration and Evaluation Assets (continued)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written-off to the interim consolidated statement of operations.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

(e) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators of impairment for its non-financial assets, including mineral properties and property and equipment. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the interim consolidated statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the interim consolidated statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

(f) Rehabilitation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks

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Notes to the Interim Consolidated Financial Statements
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2. Material Accounting Policies (continued)

(f) Rehabilitation Provisions (continued)

specific to the liability including risks specific to the countries in which the related operation is located. When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant, and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the interim consolidated statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(g) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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Notes to the Interim Consolidated Financial Statements
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2. Material Accounting Policies (continued)

(g) Financial Instruments (continued)

Financial Assets (continued)

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are 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 financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the interim consolidated statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the interim consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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Notes to the Interim Consolidated Financial Statements
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2. Material Accounting Policies (continued)

(g) Financial Instruments (continued)

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(h) Foreign Currency Translation

The functional currency of the Company and its subsidiary is the currency of the primary economic environment in which the entity operates. The Company's and its subsidiary's functional currency is the Canadian dollar. Transactions denominated in currencies other than the functional currency are translated using the exchange rate in effect on the transaction date or at the annual average rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the interim consolidated statements of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the interim consolidated statement of operations.

(i) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the interim consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Notes to the Interim Consolidated Financial Statements
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2. Material Accounting Policies (continued)

(i) Income Taxes (continued)

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(j) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(l) Comprehensive Income (Loss)

Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders. As at August 31, 2024 and 2023, the Company does not have any items impacting comprehensive income.

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Notes to the Interim Consolidated Financial Statements
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2. Material Accounting Policies (continued)

(m) Adoption of new and revised accounting standards and interpretations

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, *Making Materiality Judgements* to disclose material accounting policy information rather than significant accounting policies. Further amendments explain how an entity can identify a material accounting policy and clarify that information may be material because of its nature, even if the related amounts are immaterial. The amendments were effective January 1, 2023, and have not had a material effect on the Company's interim consolidated financial statements.

In January 2020, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* providing a more general approach to the classification of liabilities. The amendments clarify that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity, instruments, other assets, or services to the counterparty. In October 2022, the IASB issued amendments to IAS 1 that specified how an entity assesses whether it has the right to defer settlement of a liability when that right is subject to compliance with covenants within twelve months after the reporting period. These amendments were effective January 1, 2024, and have not had a material effect on the Company's interim consolidated financial statements.

Other new standards and amendments to standards and interpretations are not yet effective and have not been early adopted in preparing these interim consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's interim consolidated financial statements.

3. Exploration and Evaluation Assets

	\$
Acquisition costs:	
Balance, November 30, 2023 and August 31, 2024	147,000
Mineral exploration costs:	
Balance, November 30, 2022	199,477
Geological (Note 4)	15,743
Government grant received	(2,796)
Balance, November 30, 2023	212,424
Geological (Note 4)	160
Balance, August 31, 2024	212,584
Carrying amounts:	
Balance, November 30, 2023	359,424
Balance, August 31, 2024	359,584

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

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3. Exploration and Evaluation Assets (continued)

Taylor Brook Property, New Brunswick, Canada

On February 22, 2017 (as amended on May 15, 2019 and July 31, 2020), the Company entered into an option agreement with Lode Gold Resources Inc. (formerly Stratabound Minerals Corp.) ("Stratabound") to acquire an 80% interest in the Taylor Brook Property located in the Bathurst Mining Camp in the province of New Brunswick. To earn this interest, the Company has to:

- (i) issue 1,000,000 common shares on the exercise of the agreement (issued);
- (ii) issue 1,000,000 common shares on or before February 22, 2018 (issued);
- (iii) issue 1,600,000 common shares of the later of the effective date of the amendment agreement dated May 15, 2019 (issued);
- (iv) incur not less than \$55,000 in exploration expenditures on the property, including such work required to maintain the property in good standing by June 27, 2018 and make the 2017 required renewal payment on or before February 22, 2018 (paid);
- (v) incur \$85,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by October 27, 2018 and make the 2018 required renewal payment on or before February 22, 2019 (paid);
- (vi) incur \$125,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by February 22, 2020 (incurred) and make the 2019 required renewal payment as when required (paid);
- (vii) incur \$200,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by February 22, 2022 (incurred) and make the 2021 required renewal payment as when required (paid);
- (viii) incur \$300,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by February 22, 2023 and make the 2022 required renewal payment as when required (paid);
- (ix) incur \$500,000 in cumulative exploration expenditures on the property, including such work required to maintain the property in good standing by February 22, 2024 and make the 2023 required renewal payment as when required;

The agreement may be terminated by Stratabound by providing 30 days of written notice upon the Company failing to meet the obligations noted above. The Company may also terminate the agreement upon providing the optionor written notice.

The Company has not met its contractual obligations under the agreement with Stratabound, concerning the Taylor Brook property. The Company was required to incur cumulative exploration expenditure of \$500,000 in cumulative expenditures by February 22, 2024, which it has failed to do. The Company is currently in negotiations with Stratabound to remedy the default.

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4. Related Party Transactions

- (a) As at August 31, 2024, included in accounts payable and accrued liabilities is \$20,339 (November 30, 2023 – \$217,049) owed to a current officer and director, to a former director and to a company controlled by a former director of the Company. The amounts owing are unsecured, non-interest bearing, and due on demand.
- (b) As at August 31, 2024, the amount of \$104,903 (November 30, 2023 – \$83,117) was owed to current and former directors of the Company for loans to the Company which are non-interest bearing, unsecured, and due on demand.
- (c) During the 9-month period ended August 31, 2024, rent of \$8,190 (2023 – \$8,190) was incurred to a company controlled by a former director of the Company.

During the 3-month period ended August 31, 2024, rent of \$2,730 (2023 – \$2,730) was incurred to a company controlled by a former director of the Company.

- (d) During the 9-month period ended August 31, 2024, directors' fees of \$12,500 (2023 – \$12,000) were incurred to current and former directors of the Company.

During the 3-month period ended August 31, 2024, directors' fees of \$4,500 (2023 – \$4,000) were incurred to current and former directors of the Company.

- (e) During the 9-month period ended August 31, 2024, consulting fees of \$11,200 (2023 – \$nil) and geological fees of \$160 (2023 – \$11,193) were incurred to the former CEO of the Company.

During the 3-month periods ended August 31, 2024 and 2023, no consulting fees were incurred to the former CEO of the Company. The Company incurred geological fees of \$160 (2023 – \$nil) during the 3-month period ended August 31, 2024.

- (f) During the 9-month period ended August 31, 2024, the Company issued 22,322,970 common shares at a market price of \$0.01 per share to settle \$223,230 of outstanding debt to current and former directors and to a company controlled by a former director of the Company (Note 5).

5. Share Capital

Authorized: Unlimited number of common shares without par value
Unlimited number of preferred shares, issuable in series

Issued:

On May 27, 2024, the Company completed a non-brokered private placement of 30,000,000 common shares at an issue price of \$0.01 per share for gross proceeds of \$300,000. Furthermore, the Company agreed to the settlement of debt with certain creditors of the Company to issue an aggregate of 22,322,970 shares of the Company at a market price of \$0.01 per share to settle an aggregate of approximately \$223,230 of outstanding debt.

There were no shares issued during the year ended November 30, 2023.

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6. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares. The exercise price of each option is set by the Board of Directors at the time of grant but cannot be less than the market price (less permissible discounts) on the TSX Venture Exchange. Options can have a maximum term of five years and typically terminate ninety days following the termination of the optionee's employment or engagement. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended November 30, 2023.

8. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

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8. Financial Instruments and Risk Management (continued)

(c) Foreign Exchange Rate Risk

The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in U.S dollars. As at August 31, 2024, total assets and liabilities include accounts payable of US\$201,394 (November 30, 2023 – US\$201,394). The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the U.S dollar by 10% would increase or decrease net loss by US\$20,139. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this is dependent on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. Segmented Information

The Company has one operating segment, being the exploration of mineral properties. All mineral properties are located in Canada.

10. Subsequent Event

No subsequent event.