CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE SIX MONTHS ENDED JUNE 30, 2024

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ATON RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)
AS AT

		June 30, 2024		December 31, 2023
ASSETS				
Current				
Cash	**$**	**472,514**	$	453,283
Receivables		**4,619**		2,311
Prepayments and advances receivable (Note 4)		**180,019**		134,986
		657,152		590,580
Equipment (Note 3)		**263,592**		234,110
Mineral property interests (Note 4)		**203,251**		1
	$	**1,123,995**	$	824,691
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current				
Accounts payable and accrued liabilities (Notes 6 and 11)	**$**	**699,031**	$	558,934
Legal provision (Note 11)		**29,489**		45,868
Loans payable (Notes 6 and 7)		**4,607,250**		10,213,453
		5,335,770		10,818,255
Shareholders' deficiency				
Share capital (Note 5)		**51,416,053**		39,071,384
Share-based payment reserve (Note 5)		**5,411,882**		7,406,673
Deficit		**(61,039,710)**		(56,471,621)
		(4,211,775)		(9,993,564)
	$	**1,123,995**	$	824,691

Nature of business and going concern (Note 1)
Commitments and contingencies (Note 11)

Approved and authorized by the Board of Directors on August 27, 2024.

"Anthony Clements" Director *"Tonno Vahk"* Director

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

ATON RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Expressed in Canadian Dollars)

	Three months ended June 30, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
EXPENSES				
Accretion expense (Note 7)	**$ -**	$ 838,620	**$ 495,081**	$ 1,318,896
Depreciation (Note 3)	**13,590**	16,817	**27,181**	33,634
Exploration and evaluation expenditures (Note 4)	**1,585,244**	1,322,813	**3,181,735**	2,644,963
Finance expense (Note 7)	**98,794**	335,828	**212,730**	582,487
Foreign exchange	**27,725**	9,817	**29,352**	(31,583)
Investor relations	**18,185**	8,314	**107,621**	21,173
Management and consulting fees (Note 6)	**301,471**	31,650	**388,121**	62,300
Office and administration	**14,564**	11,997	**32,983**	32,294
Professional fees	**17,690**	16,049	**26,636**	20,979
Share based payments (Note 5)	**31,977**	86,516	**66,649**	245,453
Loss and comprehensive loss for the period	**$ (2,109,240)**	$ (2,678,421)	**$ (4,568,089)**	$ (4,930,596)
Basic and diluted loss per common share	**$ (0.02)**	$ (0.05)	**$ (0.04)**	$ (0.09)
Weighted average number of common shares outstanding – basic and diluted	**127,454,413**	56,027,077	**107,586,253**	56,027,077

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

ATON RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED JUNE 30,

	2024	2023
OPERATING ACTIVITIES		
Loss for the period	**$ (4,568,089)**	$ (4,930,596)
Items not affecting cash:		
Unrealized foreign exchange	**(16,379)**	(1,647)
Depreciation	**27,181**	33,634
Share based payments	**66,649**	245,453
Finance expense	**212,730**	582,487
Accretion expense	**495,081**	1,318,896
Changes in non-cash working capital items:		
Receivables	**(2,308)**	(1,336)
Prepayments and advances receivable	**(45,033)**	(96,851)
Accounts payable and accrued liabilities	**140,097**	146,800
Net cash used in operating activities	**(3,690,071)**	(2,703,160)
INVESTING ACTIVITIES		
Mineral property interests	**(203,250)**	-
Purchase of equipment	**(56,663)**	-
Net cash used in investing activities	**(259,913)**	-
FINANCING ACTIVITIES		
Exercise of warrants	**1,500,000**	-
Share issuance costs	**(30,785)**	-
Loan proceeds	**2,500,000**	3,200,000
Net cash provided by financing activities	**3,969,215**	3,200,000
Change in cash during the period	**19,231**	496,840
Cash, beginning of period	**453,283**	116,551
Cash, end of period	**$ 472,514**	$ 613,391

Supplemental disclosures with respect to cash flows (Note 12)

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

ATON RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Unaudited – Expressed in Canadian Dollars)

	Share capital				
	Number	**Amount**	**Share-based payment reserve**	**Deficit**	**Total**
Balance at December 31, 2022	56,027,077	$ 33,044,243	$ 6,064,802	$ (46,528,828)	$ (7,419,783)
Issuance of bonus warrants	-	-	1,980,096	-	1,980,096
Share based payments	-	-	245,453	-	245,453
Loss for the period	-	-	-	(4,930,596)	(4,930,596)
Balance at June 30, 2023	56,027,077	$ 33,044,243	$ 8,290,351	$ (51,459,424)	$ (10,124,830)
Private placement	13,636,364	3,000,000	-	-	3,000,000
Share issuance costs	-	(16,000)	-	-	(16,000)
Warrants exercised	9,090,909	3,043,141	(1,043,141)	-	2,000,000
Issuance of bonus warrants	-	-	81,344	-	81,344
Share based payments	-	-	78,119	-	78,119
Loss for the period	-	-	-	(5,012,197)	(5,012,197)
Balance at December 31, 2023	78,754,350	39,071,384	7,406,673	(56,471,621)	(9,993,564)
Debt settlement (Notes 5 and 7)	28,700,063	6,314,014	-	-	6,314,014
Share issuance costs	-	(30,785)	-	-	(30,785)
Warrants exercised	20,000,000	6,061,440	(2,061,440)	-	4,000,000
Share based payments	-	-	66,649	-	66,649
Loss for the period	-	-	-	(4,568,089)	(4,568,089)
Balance at June 30, 2024	127,454,413	$ 51,416,053	$ 5,411,882	$ (61,039,710)	$ (4,211,775)

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

1. NATURE OF BUSINESS AND GOING CONCERN

Aton Resources Inc. (the "**Company**") operates through its wholly owned subsidiary, Aton Mining Inc., which was incorporated under the Business Corporations Act (British Columbia) on May 17, 2006 and whose principal business activities are the exploration and development of mineral properties in the Arab Republic of Egypt ("**ARE**" or "**Egypt**"). The Company's principal place of business, registered and records office is located at 666 Burrard Street, Suite 1700, Vancouver, BC, V6C 3P6. The Company's common shares trade on the TSX Venture Exchange ("**TSX-V**") under the symbol "**AAN**".

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company's exploration assets are located outside of Canada and are subject to the risk of foreign investment, including political uncertainty, increases in taxes and royalties, renegotiation of contracts and currency exchange fluctuations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory and environmental requirements.

Going Concern

The Company is a mineral exploration company focused on acquiring and exploring mineral properties in the ARE. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

The condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. 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 June 30, 2024, the Company has a deficit of $61,039,710 (December 31, 2023 - $56,471,621) and a working capital deficit of $4,678,618 (December 31, 2023 - $10,227,675). These conditions create a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The condensed consolidated interim 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.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These condensed consolidated interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions and balances have been eliminated.

The Company's subsidiary is as follows:

Name of Subsidiary	Country of incorporation	Ownership Interest
Aton Mining Inc.	Canada	100%

Use of Estimates and Judgments

The preparation of these condensed consolidated interim 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 condensed consolidated interim financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Critical Accounting Estimates

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option pricing model. The option pricing model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's bonus warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (cont'd…)

Critical Accounting Judgments

Management has made judgments regarding the functional currency of the Company and has determined that the functional currency of the Company and its subsidiaries are the Canadian dollar.

Acquisition costs related to mineral exploration concessions are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. Ownership in mineral exploration concessions involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company's control. The Company is required to make judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceed their recoverable amount. The ultimate recoverability of the amounts capitalized for the mineral exploration concessions is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in its mineral exploration concessions have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management's estimates and may result in future write downs of mineral exploration concessions carrying values.

3 EQUIPMENT

	Field and office equipment	Vehicles and field accommodations	Total
Cost			
Balance, December 31, 2022	$ 466,194	$ 592,613	$ 1,058,807
Additions for the period	-	35,585	35,585
Balance, December 31, 2023	466,194	628,198	1,094,392
Additions for the period	-	56,663	56,663
Balance, June 30, 2024	$ 466,194	$ 684,861	$ 1,151,055
Accumulated depreciation			
Balance, December 31, 2022	$ 332,540	$ 443,795	$ 776,335
Depreciation for the period	32,784	51,163	83,947
Balance, December 31, 2023	365,324	494,958	860,282
Depreciation for the period	10,087	17,094	27,181
Balance, June 30, 2024	$ 375,411	$ 512,052	$ 887,463
Carrying amounts			
As at December 31, 2023	$ 100,870	$ 133,240	$ 234,110
As at June 30, 2024	$ 90,783	$ 172,809	$ 263,592

4. MINERAL PROPERTY INTERESTS

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. The Company has investigated title to all of its mineral properties, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing. Each mineral concession is considered to be a separate cash generating unit ("CGU").

Through the Company's wholly owned subsidiary, Aton Mining Inc., the Company holds the Abu Marawat exploration concession in Egypt.

On January 8, 2024, the existence of Commercial Discoveries at both Hamama West and Rodruin was agreed by EMRA. On January 17, 2024, the mining lease was established and issued. The Abu Marawat exploitation lease is for an initial 20 year period, and renewable for a further 10 years. The Company also agreed with EMRA the areas that will retained for further exploration for a period of up to 4 years. Concurrent with the establishment of the exploitation lease, the Company paid a $203,520 (US$150,000) bonus payment, in accordance with the terms of the Abu Marawat Concession Agreement. The Company is required to pay annual rent to EMRA equal to US$1,000/square kilometre on the retained exploration areas, which cover a total of 255 square kilometres. The Company has paid $176,620 (US$130,000) in rent during the period ended June 30, 2024.

During the year ended December 31, 2021, the Company had advanced a deposit of $253,560 (US$200,000) on the Abu Marawat project, of which $99,195 (US$75,000) remains in prepayments and advances receivable during the period ended June 30, 2024.

(Unaudited - Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS (cont'd…)

Cumulative exploration and evaluation expenditures are as follows:

	As at December 31, 2022	Additions	As at December 31, 2023	Additions	As at June 30, 2024
Administration	$ 2,322,759	$ 278,884	$ 2,601,643	$ 187,768	$ 2,789,411
Assaying	2,682,614	502,112	3,184,726	85,103	3,269,829
Camp upgrade	96,954	-	96,954	-	96,954
Concession access	163,392	-	163,392	-	163,392
Consulting	3,676,984	252,547	3,929,531	157,939	4,087,470
Drilling	7,933,537	2,399,146	10,332,683	1,526,177	11,858,860
Field costs	3,994,338	694,819	4,689,157	434,213	5,123,370
Geological services	2,154,208	371,051	2,525,259	195,393	2,720,652
Geophysics	625,198	845	626,043	-	626,043
Labour	5,128,934	812,224	5,941,158	368,276	6,309,434
Mapping	6,429	-	6,429	-	6,429
Mobilization	217,292	-	217,292	-	217,292
Rent	-	-	-	176,620	176,620
Travel	804,512	61,614	866,126	50,246	916,372
Start-up	41,515	-	41,515	-	41,515
	$ 29,848,666	$ 5,373,242	$ 35,221,908	$ 3,181,735	$ 38,403,643

5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Authorized share capital

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

Issued share capital

As at June 30, 2024, the Company had 127,454,413 common shares issued and outstanding.

Share issuances

During the period ended June 30, 2024, the Company:

a) Issued 20,000,000 common shares on the exercise of warrants for an aggregate of $4,000,000. The warrants were exercised partially in cash for $1,500,000 and the remaining was applied under a direction to pay provided by OU Moonrider ("Moonrider") (Note 7).

b) Finalized a debt settlement with Moonrider for a total of $6,314,014 of the loans payable in exchange for 28,700,063 shares at a price of $0.22 per common share (Note 7).

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

a) Issued 9,090,909 common shares on the exercise of warrants for an aggregate of $2,000,000. The warrants were exercised under a direction to pay provided by OU Moonrider ("Moonrider") (Note 7).

b) Completed a non-brokered private placement by issuing 13,636,364 common shares priced at $0.22 per share for gross proceeds of $3,000,000, less share issuance costs of $16,000.

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd…)

Stock options and warrants

Stock option and warrant transactions are summarized as follows:

	Options			Warrants		
	Number of Shares		Weighted Average Exercise Price	Number of Shares		Weighted Average Exercise Price
Balance, December 31, 2022	3,599,500	$	0.50	24,121,630	$	0.33
Cancelled/Expired	(899,500)		0.50	(15,030,721)		0.40
Exercised	-		-	(9,090,909)		0.22
Granted	300,000		0.205	20,000,000		0.20
Balance, December 31, 2023	3,000,000	$	0.21	20,000,000	$	0.20
Exercised	-		-	(20,000,000)		0.20
Granted	300,000		0.285	-		-
Balance, June 30, 2024	3,300,000	$	0.22	-	$	-

Stock options outstanding

The following incentive stock options were outstanding at June 30, 2024:

	Number outstanding	Number exercisable		Exercise price	Expiry date
Stock Options	2,700,000	2,700,000	$	0.21	September 28, 2027
	300,000	225,000	$	0.205	August 2, 2028
	300,000	75,000	$	0.285	February 4, 2029
	3,300,000	3,000,000			

Stock warrants outstanding

As at June 30, 2024, the Company had no stock warrants outstanding.

Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's shares, forfeiture rate, and expected life of the options. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant.

In the period ended June 30, 2024, the Company granted 300,000 (December 31, 2023 – 300,000) options with an exercise price of $0.285 (December 31, 2023 - $0.205) and weighted average fair value of $0.24 (December 31, 2023 - $0.20) per option. In the period ended June 30, 2024, the Company recognized share-based payments expense of $66,649 (2023 - $245,453) for options vesting in the period.

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd…)

Share-based payments (cont'd…)

The following weighted average assumptions were used for the valuation of stock options granted in the respective years:

	June 30, 2024	December 31, 2023
Risk-free interest rate	3.48%	3.97%
Expected life of options	5 years	5 years
Annualized volatility	125.51%	178.76%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

6. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Company, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. The remuneration of directors and management including the CEO, CFO and COO were as follows:

	For the periods ended June 30			
		2024		2023
Directors' fees	$	22,500	$	22,500
Exploration and evaluation expenditures - consulting		138,579		-
Management and consulting fees		30,000		29,000
	$	191,079	$	51,500

As at June 30, 2024, the balances due to the Company's directors and officers included in accounts payable and accrued liabilities were $901 (December 31, 2023 - $976). These amounts are unsecured, non-interest bearing and payable on demand.

During the period ended June 30, 2024, the Company recognized share-based payments expense of $50,059 (2023 - $90,000) related to the fair value of stock options granted and vested to key management personnel.

Loans payable are due to Moonrider, a shareholder owning approximately 70% of the Company's common shares at June 30, 2024 (a "significant shareholder"), who has significant influence over the Company. Transactions with Moonrider are detailed in notes 5 and 7.

(Unaudited - Expressed in Canadian Dollars)

7. LOANS PAYABLE

The loans payable are due to Moonrider, a significant shareholder of the Company.

The following is a continuity schedule of loans payable for the years presented:

	June 30, 2024	December 31, 2023
Balance – beginning of period	$ 10,213,453	$ 7,206,198
Advances of loans	2,500,000	3,200,000
Loan and interest repayment	(8,814,014)	(2,000,000)
Interest accrued – finance expense	212,730	1,125,051
Issuance of bonus warrants on loans payable	-	(2,061,440)
Accretion expense	495,081	2,743,644
	$ 4,607,250	$ 10,213,453

During the year ended December 31, 2023, the Company settled an aggregate of $2,000,000 in loans pursuant to a direction to pay ("DTP") issued by Moonrider for the exercise of 9,090,909 warrants (Note 5). The funds were applied against $2,000,000 in principal repayments. The funds were applied against the oldest outstanding facilities in the year ended December 31, 2023.

During the period ended June 30, 2024, the Company settled an aggregate of $2,500,000 in loans pursuant to a DTP issued by Moonrider for the exercise of 12,500,000 warrants (Note 5). The funds were applied against $2,018,685 in principal repayments and $481,315 in interest repayments. The funds were applied against the remaining facility in the period ended June 30, 2024.

During the period ended June 30, 2024, the Company finalized a debt settlement with Moonrider for a total of $6,314,014 of the loans payable in exchange for 28,700,063 shares at a price of $0.22 per common share (Note 5).

The Company did not enter into a bridge loan facility during the period ended June 30, 2024.

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

a) Entered into a bridge loan facility (the "Eleventh Facility") with Moonrider, for $4,000,000. Pursuant to the Eleventh Facility, the Company borrowed $4,000,000 from Moonrider at an interest rate of 12% per annum with a maturity date of March 6, 2024, then 20% per annum after maturity. In connection with the Eleventh Facility, Moonrider was issued bonus warrants in March 2023 entitling it to acquire 20,000,000 common shares of the Company at a price of $0.20 per share. The bonus warrants are exercisable for a period of 12 months from issuance. These bonus warrants had a fair value of $2,061,440 calculated using the Black-Scholes option pricing model, with inputs of: a risk-free interest rate of 4.22%, expected life of 1 year, dividend of 0% and volatility of 136.47%, which is accreted over 12 months. The bonus warrants are exercisable for a period of 12 months from issuance. This loan facility is the remaining facility outstanding. During the period ended June 30, 2024, $481,315 in interest payable was settled by way of the DTP.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes 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).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of prepayments and advances receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments. The amortized cost of the loans payable approximates its fair value due to the market rate of interest attached to them, and the short-term nature of these instruments.

Cash is measured at FVTPL under level 1 of the fair value hierarchy.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's cash (excluding nominal petty cash) is all held at large Canadian or International financial institutions. The Company's prepayments and advances receivable are entered with reputable counterparties. The Company has no investment in asset-backed commercial paper. As at June 30, 2024, management believes that the Company's exposure to credit risk is not material. The maximum exposure to credit risk that the Company has is limited to the carrying values of cash and prepayments and advances receivable as presented in the condensed consolidated interim statement of financial position. The Company's exposure to and management of credit risk for the period ended June 30, 2024, has not changed materially from the year ended December 31, 2023.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk through its capital management as outlined further below.

Accounts payable and accrued liabilities and loan payable are due within one year. The Company's approach to managing liquidity risk is to try to have sufficient liquidity to meet liabilities when due. To maintain liquidity, the Company is currently investigating financing opportunities. While the Company has been successful in obtaining its required funding in the past, through the issuance of debt and equity instruments, there is no assurance that future financings will be available. The Company's exposure to and management of liquidity risk for the period ended June 30, 2024, has not changed materially from the year ended December 31, 2023.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risks: interest rate risk, foreign currency risk, and other price risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A 1% change in interest rates on cash deposits would have a nominal effect on net loss. The loans payable bear an interest rate of 12% per annum from closing date until repayment date. All amounts owed from the date on which such amount is due until such amount is paid in full, payable on demand, bears an interest rate of 20% per annum. The Company's exposure to and management of interest rate risk for the period ended June 30, 2024, has not changed materially from the year ended December 31, 2023.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and presentation currency is the Canadian dollar. The Company is exposed to foreign currency risk on fluctuations related primarily to cash, prepayments and advances receivable, and accounts payable and accrued liabilities that are denominated in United States Dollar (USD) or the Egyptian Pound (EGP).

The Company has cash and accounts payable and accrued liabilities denominated in USD and the EGP and is exposed to risk from changes in the USD and EGP.

As at June 30, 2024, the Company's foreign denominated financial assets and liabilities in USD and EGP are as follows:

		United States Dollar ($)		Canadian Dollar equivalent
Cash	$	137,610	$	188,347
Prepayments and advances receivable	$	81,166	$	111,092
Accounts payable and accrued liabilities	$	(348,793)	$	(477,392)

		Egyptian Pound (E£)		Canadian Dollar equivalent
Cash	E£	2,655,140	$	75,647
Prepayments and advances receivable	E£	317,958	$	9,059
Accounts payable and accrued liabilities	E£	(3,905,352)	$	(111,267)

Based on the above net exposures, a 10% change in the Canadian Dollar to United States Dollar would change the Company's comprehensive loss by approximately $17,796 and Canadian Dollar to Egyptian Pound would change the Company's comprehensive loss by approximately $2,656. As at June 30, 2024, the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at June 30, 2024.

The Company's exposure to and management of foreign currency risk for the period ended June 30, 2024, has not changed materially from the year ended December 31, 2023.

(Unaudited - Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Market risk (cont'd…)

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The Company had no held for sale investments, nor is the Company materially impacted by commodity prices as it is not yet in commercial production. As such, the Company is not materially exposed to other price risk. The Company's exposure to and management of other price risk for the period ended June 30, 2024, has not changed materially from the year ended December 31, 2023.

Capital Management

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In the management of capital, the Company considers components of shareholders' deficiency, which totaled $4,211,775 (December 31, 2023 - $9,993,564) at June 30, 2024. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company currently is not subject to externally imposed capital requirements. As at June 30, 2024, the Company is not subject to any externally imposed debt covenants. There were no changes in the Company's approach to capital management during the year.

9. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties. All of the Company's equipment and mineral exploration concessions are located in Egypt.

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

For the periods ended June 30,		2024		2023
Issuance of bonus warrants on loans payable	$	-	$	1,980,096
Debt settlement (Notes 5 and 7)	$	6,314,014	$	-
Exercise of warrants pursuant to direction to pay (Notes 5 and 7)	$	2,500,000	$	-

11. COMMITMENTS AND CONTINGENCIES

A former director and CEO of the Company commenced litigation against the Company alleging wrongful dismissal and claiming damages of US$500,000 for severance and unpaid wages of $236,798 plus interest and related costs. The Company is defending the cases and believes they are without merit. No liability other than unpaid fees for services amounting to $254,946, included in accounts payable and accrued liabilities, has been recorded in relation to these legal proceedings.

A former employee of the Company commenced litigation against the Company in Egypt alleging wrongful dismissal and claiming damages up to E£730,000 ($20,803), the Company filed a counterclaim of E£500,000. During the year ended December 31, 2020, the Court of Appeal decided upon the employee’s entitlement and dismissed the Company’s counterclaim. The Company filed a challenge before the Court of Cassation to overturn this appeal ruling. During the year ended December 31, 2021, the Court of Cassation decided upon accepting the Company’s challenge by cancelling the Court of Appeal’s judgment and returning the case to the Court of Appeal to re-review the case. During the year ended December 31, 2023, the Court of Appeal decided upon the employee’s entitlement to receive E£730,000 from the Company and dismissed all other claims. During the period ended June 30, 2024, the Company filed a challenge before the Court of Cassation, no hearing has been scheduled to date. The Company has recorded this claim as a legal provision within current liabilities.

A former employee of the Company commenced litigation against the Company in Egypt alleging wrongful dismissal and claiming damages up to E£446,075, the Company filed a counterclaim of E£500,000. During the year ended December 31, 2019, the Court of Appeal decided upon the employee’s entitlement and dismissed the Company’s counterclaim. The Company filed a challenge before the Court of Cassation to overturn this appeal ruling. During the year ended December 31, 2021, the Court of Cassation has accepted the Company’s challenge and decided upon final dismissal of the former employee’s compensation claim and cancelled the compensation that was granted by the Court of Appeal. However, it confirmed the employees’ entitlement of E£38,541. During the period ended June 30, 2024, the Company settled and closed the claim of the former employee. The Court of Cassation has accepted the Company’s challenge of the counterclaim and returned it to the Court of Appeal to re-review it. During the period ended June 30, 2024, the Court of Appeal dismissed the appeal and upheld the judgment of the Court of Cassation. The Company filed a challenge against the judgment from the Court of Appeal before the Court of Cassation, no hearing has been scheduled to date.

A former vendor of the Company claimed fees of E£304,796 ($8,686), which the Company appealed. During the year ended December 31, 2021, it was rejected by the Court of Appeal. The Company challenged the judgment before the Supreme Administrative Court. During the year ended December 31, 2023, the Court referred the case to the expert committee, no hearing has been scheduled to date. The Company has recorded this claim as a legal provision within current liabilities.

During the period ended June 30, 2024, the Company recorded a legal provision of $29,489 (December 31, 2023 - $45,868). The variance from the year ended December 31, 2023 to the period ended June 30, 2024 is primarily the result from foreign exchange.