Beauce Gold Fields Inc.

Financial Statements
As at July 31, 2023 and 2022

(In Canadian dollars)

Table of contents

Raymond Chabot
Grant Thornton

Independent Auditor's Report

Raymond Chabot
Grant Thornton LLP
50 Dallaire Avenue
Rouyn-Noranda, Quebec
J9X 4S7

T 819-762-1714

To the Shareholders of
Beauce Gold Fields Inc.

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 2 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the 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 the matter described below to be the key audit matter to be communicate in our auditor's report.

Assessment for impairment of exploration and evaluation assets

As described in Note 4 to the financial statements, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment. We have identified the assessement for impairment of exploration and evaluation assets as a key audit matter.

Why the matter was determined to be a key audit matter

The assesment for impairment of exploration and evaluation assets is sgnificant to our audit, because the balance of $4,065,288 as at July 31, 2023 is material for the financial statements. In addition, the management's assessment process is subjective and requires the use of judgements and assumptions, in particular, but not limited to:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

How the matter was addressed in the audit

Our audit procedures related to the exploration and evaluation assets included, among others, the following:

- We assessed management's appreciation of the facts and circumstances to determine whether an indication of impairment was present by inspecting the Company's communications, including minutes and press releases and making requests for information from management;

- We reviewed budgets to assess management's intention to pursue exploration and evaluation work;
- We inspected government records to determine if the mining rights on his properties were valid.

Information other than the financial statements and the auditor’s report thereon

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

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 identified above 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. 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 International Financial Reporting Standards (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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carole Lepage.

Raymond Chabot Grant Thornton LLP [1]

Rouyn-Noranda
November, 24 2023

[1] CPA auditor, public accountancy permit no. A119351

Beace Gold Fields Inc.
Statements of Financial Position

As at July 31, 2023 and 2022
(in Canadian dollars)

	Notes	July 31, 2023	July 31, 2022
		$	$
ASSETS			
Current			
Cash	6	503,000	822,636
Goods and services tax receivable		29,084	52,648
Advance for exploration and evaluation expenses		-	7,500
Prepaid expenses		7,737	6,965
		539,821	889,749
Non-current			
Exploration and evaluation assets	7	4,065,288	3,488,937
Property and equipment	8	5,955	10,703
		4,071,243	3,499,640
Total assets		4,611,064	4,389,389
LIABILITIES			
Current			
Trade and other payables	9	315,858	279,912
Liability related to flow-through shares		-	7,723
		315,858	287,635
Non-current			
Royalty payable	10	162,391	135,892
Total liabilities		478,249	423,527
EQUITY			
Share capital	11	6,823,514	6,011,014
Contributed surplus		626,950	716,559
Retained deficit		(3,317,649)	(2,761,711)
Total equity		4,132,815	3,965,862
Total liabilities and equity		4,611,064	4,389,389

The accompanying notes are an integral part of the financial statements.
These financial statements were approved and authorized for issue by the Board of Directors on November 24, 2023.

ON BEHALF OF THE BOARD

(s) Patrick Levasseur, Director

(s) Bernard J. Tourillon, Director

Beauce Gold Fields Inc.
Statements of Comprehensive Loss

For the years ended July 31, 2023 and 2022
(in Canadian dollars)

	Notes	2023	2022
		$	$
Expenses			
Salaries and employee benefits expense	12.1	349,402	286,075
Professional fees		180,822	174,783
Traveling expenses		39,601	37,317
Business development [1]		24,385	30,050
Advertising fees		8,175	7,755
Information to shareholders and registration fees		35,755	39,081
Office expenses		45,722	43,409
Bank charges		2,399	5,218
Amortization of property and equipment		4,748	3,540
Write-off of exploration and evaluation assets	7	23,212	366
Operating loss		714,221	627,594
Other income (charges)			
Change in fair value of royalties payable		-	(29,311)
Accretion charge on royalty payable		(26,499)	(2,497)
Gain on modification of royalty payable		-	94,314
Interests on the royalty payable		(25,000)	(14,583)
Part XII.6 tax		(1,249)	-
		(52,748)	47,923
Loss before income taxes		(766,969)	(579,671)
Deferred income taxes	15	(57,723)	(60,195)
Net loss and total comprehensive loss of the year		(709,246)	(519,476)
Loss per share			
Basic and diluted net loss per share	14	(0.01)	(0.01)

[1] Including share-based payments of $1,252 in 2022.

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

Beauce Gold Fields Inc.
Statements of Changes in Equity
For the years ended July 31, 2023 and 2022
(in Canadian dollars)

	Notes	Share capital	Contributed surplus	Retained deficit	Total equity
		$	$	$	$
Balance as at August 1st, 2021		5,027,947	667,739	(2,215,507)	3,480,179
Units issued by private placements	11.1	502,067	8,333	-	510,400
Units issued by flow-through private placement	11.1	343,200	67,481	-	410,681
Issuance for the settlement of accounts payable	11.1	11,300	-	-	11,300
Shares issued for acquisition of exploration and evaluation assets	11.1	56,000	-	-	56,000
Exercise of warrants	11.1	70,500	-	-	70,500
Expiration of warrants	11.2	-	(47,810)	47,810	-
Expiration of Brokers' warrants	11.3	-	(1,101)	1,101	-
Share-based payments	12.2	-	1,252	-	1,252
Issuance cost of units		-	20,665	(75,639)	(54,974)
		983,067	48,820	(26,728)	1,005,159
Net loss and total comprehensive loss for the year		-	-	(519,476)	(519,476)
Balance as at July 31, 2022		6,011,014	716,559	(2,761,711)	3,965,862
Units issued by private placements	11.1	255,000	-	-	255,000
Units issued by flow-through private placements	11.1	557,500	117,500	-	675,000
Expiration of share-based payments	12.2	-	(5,008)	5,008	-
Expiration of warrants	11.2	-	(212,060)	212,060	-
Expiration of Brokers' warrants	11.3	-	(23,429)	23,429	-
Issuance cost of units		-	33,388	(87,189)	(53,801)
		812,500	(89,609)	153,308	876,199
Net loss and total comprehensive loss for the year		-	-	(709,246)	(709,246)
Balance as at July 31, 2023		6,823,514	626,950	(3,317,649)	4,132,815

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

Beace Gold Fields Inc.
Statements of Cash Flows
For the years ended July 31, 2023 and 2022
(in Canadian dollars)

	Notes	2023	2022
		$	$
OPERATING ACTIVITIES			
Net loss		(709,246)	(519,476)
Adjustments			
Salaries and employee benefits expense		92,177	74,285
Amortization of property and equipment		4,748	3,540
Write-off of exploration and evaluation assets		23,212	366
Share-based payments		-	1,252
Change in fair value of royalty payable		-	29,311
Accretion charge on royalty payable		26,499	2,497
Gain on modification of royalty payable		-	(94,314)
Interests on the royalty payable		25,000	14,583
Deferred income taxes		(57,723)	(60,195)
		(595,333)	(548,151)
Changes in working capital items	16	34,148	100,357
Cash flows used for operating activities		(561,185)	(447,794)
INVESTING ACTIVITIES			
Addition to exploration and evaluation assets		(684,650)	(766,040)
Addition to property and equipment		-	(3,618)
Tax credits received		-	2,225
Cash flows used for investing activities		(684,650)	(767,433)
FINANCING ACTIVITIES			
Issuance of units by private placements and flow-through placements		980,000	947,200
Exercise of warrants		-	70,500
Issuance cost of units		(53,801)	(54,974)
Cash flows from financing activities		926,199	962,726
Net change in cash		(319,636)	(252,501)
Cash, beginning of the year		822,636	1,075,137
Cash, end of the year		503,000	822,636

For additional cash flows information refer to Note 16.

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

1. NATURE OF OPERATIONS

Beauce Gold Fields Inc. (hereinafter the "Company") specializes in the exploration of gold and phosphate in mining sites located in Quebec.

2. GOING CONCERN AND STATEMENT OF COMPLIANCE WITH IFRS

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its properties contain mineral deposits that are economically recoverable, the Company has not yet generated income or cash flows from its operations. As at July 31, 2023, the Company has cumulated retained deficit of $3,317,649 ($2,761,711 as at July 31, 2022). The liquidities of the Company are not sufficient to fund its administrative and exploration and evaluation expenses of the next year. These material uncertainties cast a significant doubt on the Company's ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

3. GENERAL INFORMATION

The Company was incorporated under the *Canada Business Corporations Act.* on August 1st, 2016. The Company traded on the TSX-Venture Exchange (“TSX-V”) under the symbol: “BGF” since February 4, 2019. The address of the registered office and its principal place of business is 3000 Omer-Lavallee Street, office 306, Montreal, Quebec, Canada.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Overall considerations

The significant accounting policies that have been applied in the preparation of these financial statements are summarized below.

4.2 Functional and presentation currency

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

4.3 Standards, modifications and interpretations of published standards which are not yet in force and which have not been early adopted by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company’s accounting policies for the first period beginning after the effective date of the pronouncement and its not expected that to have a material impact on the Company’s financial statements.

4.4 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are measured initially at fair value plus transaction costs, if any. Financial liabilities are measured initially at fair value and, if applicable, adjusted of transaction costs except if the Company has designed a financial liability at fair value through profit or loss.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized in the event of termination, extinction, cancellation or expiration.

The classification of financial instruments under IFRS 9 is based on the entity's business model and the characteristics of the contractual cash flows of the financial asset or liability.

Classification and initial valuation of financial assets

Financial assets are classified in the category at amortized cost.

All income and expenses relating to financial assets recognized in profit or loss are presented within other charges, if any.

Subsequent valuation of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet the following conditions:

- They are held according to an economic model whose objective is to hold financial assets in order to collect the contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that correspond solely to repayments of principal and interest payments on the principal outstanding.

After initial recognition, they are measured at amortized cost using the effective interest rate method. The update is omitted if its effect is not significant. Cash is included in this category of financial instruments.

Impairment of financial assets

The impairment provisions in IFRS 9 use the expected credit loss model.

The recognition of credit losses must take into account information for assessing credit risk and assessing expected credit losses, including past events, current circumstances, reasonable and justifiable forecasts that affect expected recoverability of future cash flows of the financial instrument.

The estimate of expected credit losses is determined at each reporting date to reflect changes in credit risk since the initial recognition of the related financial asset.

Classification and subsequent valuation of financial liabilities

The Company's financial liabilities include trade and other payables (excluding salaries and benefits expense) and royalty payable.

After initial recognition, financial liabilities are evaluated at amortized cost using the effective interest rate method.

Interest expenses and change in the fair value of an instrument recognized in profit or loss are presented in other charges.

4.5 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting loss attributable to common equity holders of the Company, and loss weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include share options, brokers' warrants and warrants. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

4.6 Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. The tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

4.7 Exploration and evaluation assets and exploration and evaluation expenditures

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal rights to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights and expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets. Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase. Exploration and evaluation assets include a land recorded as non-amortizable fixed asset and carried at cost less any accumulated impairment losses.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts (see Note 4.8), the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment (see Note 4.8), and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor commercial viability of extracting a mineral resource has been demonstrated.

4.7 Exploration and evaluation assets and exploration and evaluation expenditures (continued)

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash or the shares consideration received directly from the acquirer are credited against the costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in profit or loss.

4.8 Impairment of exploration and evaluation assets and property and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the assets or cash-generating unit's recoverable amount exceeds it carrying amount.

4.9 Property and equipment

Property and equipment are held at cost less accumulated amortization and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof. Recognition of costs in the carrying amount of an item of property and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Upon the transfer of exploration and evaluation assets to property and equipment under intended Mining assets under construction, all subsequent expenditures on the construction, installation or completion of equipment and infrastructure facilities are capitalized within Mining assets under construction. When development stage is completed, all assets included in the mining assets under construction category are then transferred to Mining assets.

Amortization is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. The amortization period is as follows:

	Useful Life
Exploration equipment	3 years

The amortization expense for each period is recognized in profit or loss except for certain items of property and equipment related to exploration and evaluation activities where the amortization expense is included in the carrying amount of an exploration and evaluation asset when it relates to a specific exploration and evaluation project.

The residual value, amortization method and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognized.

4.10 Provisions and contingent liabilities

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

4.10 Provisions and contingent liabilities (continued)

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. No provision was recognized in the statements of financial position as at July 31, 2023 and 2022.

4.11 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 "Income Taxes" specifies limited exemptions.

Tax related to flow-through placements

According to the provisions of tax legislation relating to flow-through placements, the Company has to transfer its right to tax deductions for expenses related to exploration activities to the benefit of the investors. When the Company has fulfilled its obligation to transfer its right, which happens when the Company has incurred eligible expenditures and has renounced or has the intention to renounce to its right to tax deductions, a deferred tax liability is recognized for the taxable temporary difference that arises from difference between the carrying amount of eligible expenditures capitalized in the statement of financial position and its tax basis.

4.12 Equity

Share capital represents the amount received on the issue of shares. If shares are issued when share options, brokers' warrants or warrants are exercised, the share capital account also comprises the compensation costs or the value of the stock options or warrants previously recorded as contributed surplus. In addition, if the shares are issued as consideration for the acquisition of a mineral property and other non-monetary assets, the shares were measured at fair value according to the quoted price on the day of the conclusion of the agreement.

4.12 Equity (continued)

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Flow-through placements

Issuance of flow-through units represents in substance an issue of common shares, warrants and the sale of the right to tax deductions to the investors. When the flow-through units are issued, the sale of the right to tax deductions is deferred and presented as liability related to flow-through shares in the statement of financial position. The proceeds received from flow-through units are allocated between share capital, warrants and the liability related to flow-through shares using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants according to the fair value at the date of issuance and the residual proceeds are allocated to the liability related to flow-through shares. The fair value of the warrants is determined using the Black-Scholes valuation model. The liability related to flow-through shares recorded initially on the issuance of units is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense.

Other elements of equity

Contributed surplus includes charges related to share options, warrants and brokers' warrants until such options and warrants are exercised. When they are cancelled or expired, the related compensation cost is transferred in decrease of retained deficit. When options and warrants are exercised, the related compensation cost is transferred to share capital.

Retained deficit includes all current and prior period retained profits or losses, plus issuance costs, net of any underlying income tax benefit from these issuance costs and compensation related to options and warrants cancelled or expired, transferred from contributed surplus.

4.13 Equity-settled share-based payments

The Company operates an equity-settled share-based payment plan for its eligible directors, officers, employees and consultants. The Company's plan does not feature any option for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services rendered by reference to the fair value of the equity instruments granted.

Equity-settled share-based payments (except brokers' warrants) are ultimately recognized as an expense in profit or loss or capitalized as exploration and evaluation assets, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to contributed surplus, in equity.

4.13 Equity-settled share-based payments (continued)

The expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment was made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

4.14 Segmental reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the management and the Board of Directors. The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

5. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

5.1 Significant management judgments

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred income tax assets and measurement on income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period (see Note 4.11).

Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

5.2 Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in any cases (see Note 4.8).

When an indication of an impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

5.2 Estimation uncertainty (continued)

Impairment of exploration and evaluation assets (continued)

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits.

Estimates and assumptions 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 profit or loss in the period when the new information becomes available.

See Notes 7 for the exploration and evaluation assets impairment analysis.

During the year, the Company recognized to profit or loss a write-off of exploration and evaluation assets of $23,212 ($366 as at July 31, 2022). No reversal of impairment losses has been recognized for the reporting years.

The other properties have not been tested for impairment as the Company has the ability to retain properties as it has sufficient financial resources to meet its short-term obligations and expenditures are programmed over future exercises. The rights to prospect for these properties will not expire in the near future and/or work has been carried out on these properties over the year.

Royalty payable

Management uses its judgment to estimate the amount of royalties payable (see Notes 7 and 10). Uncertainty in estimates is related to net expenses assumptions and the determination of a suitable discount rate.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of historical data of the Company's own shares and the shares of similar companies in the industry, the probable life of share options, broker's warrants and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model (see Notes 11.2, 11.3 and 12.2).

6. CASH

Cash includes an amount of $275,386 ($105,225 as at July 31, 2022) which represents the balance on flow-through financing not spent according to the restriction imposed by these financing arrangements. According to tax law, the Company has the obligation to dedicate these funds to Canadian mining properties exploration.

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

	Balance at August 1st, 2022	Additions	Tax Credits	Write-off	Balance at July 31, 2023
	$	$	$	$	$
Québec					
Gold properties					
Saint-Simon-Les-Mines Property					
Mining rights	1,502,323	3,500	-	-	1,505,823
Exploration and evaluation expenses	1,378,361	124,545	-	-	1,502,906
Land	181,356	-	-	-	181,356
	3,062,040	128,045	-	-	3,190,085
Ditton Property					
Mining rights	12,638	991	-	-	13,629
Exploration and evaluation expenses	302,229	394,409	-	-	696,638
	314,867	395,400	-	-	710,267
Rivière Ouareau Property					
Mining rights	994	-	-	(994)	-
Exploration and evaluation expenses	2,310	-	-	(2,310)	-
	3,304	-	-	(3,304)	-
St-Isidore Property					
Mining rights	2,289	-	-	(2,289)	-
	2,289	-	-	(2,289)	-
Adstock Property					
Mining rights	935	-	-	(935)	-
	935	-	-	(935)	-
Iverness Property					
Mining rights	800	-	-	(800)	-
	800	-	-	(800)	-
Audet Property					
Mining rights	928	-	-	(928)	-
	928	-	-	(928)	-

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

	Balance at August 1st, 2022	Additions	Tax Credits	Write-off	Balance at July 31, 2023
	$	$	$	$	$
Mining Brooks Property					
Mining rights	3,850	-	-	-	3,850
Exploration and evaluation expenses	8,215	-	-	-	8,215
	12,065	-	-	-	12,065
Emberton Property					
Mining rights	1,512	2,787	-	-	4,299
Exploration and evaluation expenses	55,176	20,893	-	-	76,069
	56,688	23,680	-	-	80,368
Newport Property					
Mining rights	825	-	-	-	825
Exploration and evaluation expenses	1,576	-	-	-	1,576
	2,401	-	-	-	2,401
Scotstown Property					
Mining rights	344	-	-	-	344
Exploration and evaluation expenses	3,153	-	-	-	3,153
	3,497	-	-	-	3,497
Chesham Property					
Mining rights	4,194	-	-	-	4,194
Exploration and evaluation expenses	11,035	4,308	-	-	15,343
	15,229	4,308	-	-	19,537
Bergeron Property					
Mining rights	3,644	-	-	(3,644)	-
Exploration and evaluation expenses	-	7,855	-	(7,855)	-
	3,644	7,855	-	(11,499)	-
Chibougameau Property					
Mining rights	-	2,475	-	-	2,475
Exploration and evaluation expenses	-	1,950	-	-	1,950
	-	4,425	-	-	4,425

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

	Balance at August 1st, 2022	Additions	Tax Credits	Write-off	Balance at July 31, 2023
	$	$	$	$	$
Greenville Property					
Mining rights	-	1,238	-	-	1,238
Exploration and evaluation expenses	-	1,950	-	-	1,950
	-	3,188	-	-	3,188
Albertville Property					
Mining rights	-	512	-	-	512
	-	512	-	-	512
Beauville Property					
Mining rights	-	733	-	-	733
	-	733	-	-	733
Other-Megantic Property					
Mining rights	3,644	-	-	-	3,644
	3,644	-	-	-	3,644
Other Property					
Mining rights	5,030	-	-	(3,457)	1,573
Exploration and evaluation expenses	1,576	650	-	-	2,226
	6,606	650	-	(3,457)	3,799
Phosphate properties					
Gatineau Property					
Mining rights	-	3,223	-	-	3,223
	-	3,223	-	-	3,223
Chemin 98 Property					
Mining rights	-	3,296	-	-	3,296
	-	3,296	-	-	3,296
Brockaby Property					
Mining rights	-	1,099	-	-	1,099
	-	1,099	-	-	1,099
Baie Obaoca Property					
Mining rights	-	2,198	-	-	2,198
	-	2,198	-	-	2,198

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

	Balance at August 1st, 2022	Additions	Tax Credits	Write-off	Balance at July 31, 2023
	$	$	$	$	$
Manouane Property					
Mining rights	-	2,564	-	-	2,564
	-	2,564	-	-	2,564
Manouane-est Property					
Mining rights	-	2,710	-	-	2,710
	-	2,710	-	-	2,710
Riv des Outardes Property					
Mining rights	-	2,124	-	-	2,124
	-	2,124	-	-	2,124
L'Anse Verte Property					
Mining rights	-	1,319	-	-	1,319
	-	1,319	-	-	1,319
Ste-Cléophas Property					
Mining rights	-	2,051	-	-	2,051
	-	2,051	-	-	2,051
Other-Phosphate Properties					
Mining rights	-	10,183	-	-	10,183
	-	10,183	-	-	10,183
Summary					
Mining rights	1,543,950	43,003	-	(13,047)	1,573,906
Exploration and evaluation expenses	1,763,631	556,560	-	(10,165)	2,310,026
Land	181,356	-	-	-	181,356
	3,488,937	599,563	-	(23,212)	4,065,288

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

	Balance at August 1st, 2021	Additions	Tax Credits	Write-off	Balance at July 31, 2022
	$	$	$	$	$
Québec					
Saint-Simon-Les-Mines Property					
Mining rights	1,447,172	55,151	-	-	1,502,323
Exploration and evaluation expenses	938,075	442,511	(2,225)	-	1,378,361
Land	181,356	-	-	-	181,356
	2,566,603	497,662	(2,225)	-	3,062,040
St-Bergemin Property					
Mining rights	366	-	-	(366)	-
	366	-	-	(366)	-
Ditton Property					
Mining rights	12,638	-	-	-	12,638
Exploration and evaluation expenses	83,726	218,503	-	-	302,229
	96,364	218,503	-	-	314,867
Rivière Ouareau Property					
Mining rights	994	-	-	-	994
Exploration and evaluation expenses	2,310	-	-	-	2,310
	3,304	-	-	-	3,304
St-Isidore Property					
Mining rights	2,221	68	-	-	2,289
	2,221	68	-	-	2,289
Adstock Property					
Mining rights	867	68	-	-	935
	867	68	-	-	935
Iverness Property					
Mining rights	663	137	-	-	800
	663	137	-	-	800
Audet Property					
Mining rights	928	-	-	-	928
	928	-	-	-	928

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

	Balance at August 1st, 2021	Additions	Tax Credits	Write-off	Balance at July 31, 2022
	$	$	$	$	$
Mining Brooks Property					
Mining rights	-	3,850	-	-	3,850
Exploration and evaluation expenses	-	8,215	-	-	8,215
	-	12,065	-	-	12,065
Emberton Property					
Mining rights	-	1,512	-	-	1,512
Exploration and evaluation expenses	-	55,176	-	-	55,176
	-	56,688	-	-	56,688
Newport Property					
Mining rights	-	825	-	-	825
Exploration and evaluation expenses	-	1,576	-	-	1,576
	-	2,401	-	-	2,401
Scotstown Property					
Mining rights	-	344	-	-	344
Exploration and evaluation expenses	-	3,153	-	-	3,153
	-	3,497	-	-	3,497
Chesham Property					
Mining rights	-	4,194	-	-	4,194
Exploration and evaluation expenses	-	11,035	-	-	11,035
	-	15,229	-	-	15,229
Bergeron Property					
Mining rights	-	3,644	-	-	3,644
	-	3,644	-	-	3,644
Other-Megantic Properties					
Mining rights	-	3,644	-	-	3,644
	-	3,644	-	-	3,644

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

	Balance at August 1st, 2021	Additions	Tax Credits	Write-off	Balance at July 31, 2022
	$	$	$	$	$
Other Properties					
Mining rights	3,446	1,584	-	-	5,030
Exploration and evaluation expenses	-	1,576	-	-	1,576
	3,446	3,160	-	-	6,606
Summary					
Mining rights	1,469,295	75,021	-	(366)	1,543,950
Exploration and evaluation expenses	1,024,111	741,745	(2,225)	-	1,763,631
Land	181,356	-	-	-	181,356
	2,674,762	816,766	(2,225)	(366)	3,488,937

All write-off charges are presented in profit or loss under Write-off of exploration and evaluation assets.

Québec

Gold properties

Saint-Simon-Les-Mines Property

The Company has agreed to pay, to a third party out of 32 claims, a royalty of 3.5% for the duration of gold production as well as an amount of $500,000 upon commencement of production.

The Company will assume the payment to a third party of a royalty of 0.5%

Since the acquisition in 2018, the Company agreed to pay to a Company with significant influence, an NSR of an amount of $35,000 between the fifteenth and the twenty-fourth month after the closing date and $25,000 each subsequent year. This NSR can be redeemed at the option of the Company for $250,000. The corresponding liability, Royalty payable, was recognized at the time of the acquisition for a total amount of $176,563. On March 9, 2021, the Company completed a debt settlement for the royalty payment of $50,000 by the issuance of 166,667 common shares.

On June 23, 2022, an addendum was signed amending the NSR terms of the November 27, 2017 agreement. See Note 10 for details.

On June 8, 2022, the Company signed a definitive agreement with Placements V.T.R. Inc. for the acquisition of 14 claims located in the municipality of Beauceville in the Beauce region of Quebec. Following regulatory approval, the Company issued 700,000 shares (for a value of $56,000). Under this agreement, the Company has agreed to pay a royalty of 1.0% which, at the option of the Company, may be redeemed for an amount of $1,000,000.

The Company holds a 100% interest in 180 claims (182 claims as at July 31, 2022).

7. EXPLORATION AND EVALUATION ASSETS (continued)

St-Bergemin Property

During the year of 2022, the Company has written-off this property following the abandonment of mining claims.

Ditton Property

The Company holds a 100% interest in 70 claims acquired by staking (69 claims as at July 31, 2022).

Rivière Ouareau Property

During the year, the Company has written-off this property following no planned work on the mining claims. (15 claims as at July 31, 2022).

St-Isidore Property

During the year, the Company has written-off this property following no planned work on the mining claims (35 claims as at July 31, 2022).

Adstock Property

During the year, the Company has written-off this property following no planned work on the mining claims (12 claims as at July 31, 2022).

Iverness Property

During the year, the Company has written-off this property following no planned work on the mining claims (12 claims as at July 31, 2022).

Audet Property

During the year, the Company has written-off this property following no planned work on the mining claims (14 claims as at July 31, 2022).

Mining brooks Property

The Company holds a 100% interest in 56 claims acquired by staking (56 claims as at July 31, 2022).

Emberton Property

The Company holds a 100% interest in 62 claims acquired by staking (22 claims as at July 31, 2022).

7. EXPLORATION AND EVALUATION ASSETS (continued)

Newport Property

The Company holds a 100% interest in 12 claims acquired by staking (12 claims as at July 31, 2022).

Scotstown Property

The Company holds a 100% interest in 5 claims acquired by staking (5 claims as at July 31, 2022).

Chesham Property

The Company holds a 100% interest in 59 claims acquired by staking (61 claims as at July 31, 2022).

Bergeron Property

During the year, the Company has written-off this property following no planned work on the mining claims (53 claims as at July 31, 2022).

Chibougameau Property

The Company holds a 100% interest in 27 claims acquired by staking.

Greenville Property

The Company holds a 100% interest in 18 claims acquired by staking.

Albertville Property

The Company holds a 100% interest in 7 claims acquired by staking.

Beauceville Property

The Company holds a 100% interest in 9 claims acquired by staking.

Other Megantic Properties

The Company holds a 100% interest in 53 claims acquired by staking (53 claims as at July 31, 2022).

Other Properties

During the year, the Company has written-off the 49 claims following no planned work on the mining claims. The Company holds a 100% interest in 28 claims acquired by staking (77 claims as at July 31, 2022).

7. EXPLORATION AND EVALUATION ASSETS (continued)

Phosphate Properties

Gatineau Property

The Company holds a 100% interest in 42 claims acquired by staking.

Chemin 98 Property

The Company holds a 100% interest in 45 claims acquired by staking.

Brockaby Property

The Company holds a 100% interest in 10 claims acquired by staking.

Baie Obaoca Property

The Company holds a 100% interest in 30 claims acquired by staking.

Manouane Property

The Company holds a 100% interest in 16 claims acquired by staking.

Manouane-est Property

The Company holds a 100% interest in 29 claims acquired by staking.

Rivieres des Outardes Property

The Company holds a 100% interest in 20 claims acquired by staking.

L'Anse Verte Property

The Company holds a 100% interest in 18 claims acquired by staking.

Ste-Cléophas Property

The Company holds a 100% interest in 28 claims acquired by staking.

Other Phosphate Properties

The Company holds a 100% interest in 71 claims acquired by staking.

(in Canadian dollars)

8. PROPERTY AND EQUIPMENT

Property and equipment of the Company are composed of exploration equipment. The carrying amount is set out as follows:

	Exploration equipment	Total
	$	$
Gross carrying amount		
Balance at August 1st, 2022	14,243	14,243
Acquisition	-	-
Balance at July 31, 2023	14,243	14,243
Accumulated depreciation		
Balance at August 1st, 2021	3,540	3,540
Depreciation	4,748	4,748
Balance at July 31, 2023	8 288	8 288
Carrying amount at July 31, 2023	5,955	5,955

	Exploration equipment	Total
	$	$
Gross carrying amount		
Balance at August 1st, 2021	10,625	10,625
Acquisition	3,618	3,618
Balance at July 31, 2022	14,243	14,243
Accumulated depreciation		
Balance at August 1st, 2021	-	-
Depreciation	3,540	3,540
Balance at July 31, 2022	3,540	3,540
Carrying amount at July 31, 2022	10,703	10,703

(in Canadian dollars)

9. TRADE AND OTHER PAYABLES

	July 31, 2023	July 31, 2022
	$	$
Trade and other payables	68,079	140,771
Remuneration of directors payable	105,250	72,750
Salaries payable	102,946	51,808
Interest on royalty payable	39,583	14,583
	315,858	279,912

10. ROYALTY PAYABLE

	July 31, 2023	July 31, 2022
	$	$
Balance, beginning	135,892	198,398
Change in fair value	-	29,311
	135,892	227,709
Derecognition of royalties	-	(227,709)
Addition to royalty payable	-	133,395
Accretion charge	26,499	2,497
Balance, end	162,391	135,892

On June 23, 2022, an addendum was signed to modify the terms of the agreement with a company having a significant influence, see Note 7 for the initial terms of the agreement. The NSR payments for each subsequent year have been replaced with 10% annual interest, the $250,000 royalty is non-transferable and the due date is December 31, 2025 including unpaid interest. As at July 31, 2023, the balance of interest payable amounts to $39,583 ($14,583 as at December 31, 2022).

The fair value of the royalty payable was estimated using a present value technique, immediately prior to the modification date. The revalued fair value of $227,709 was estimated based on the probability of cash outflows over a four-year period at 19.5%, which is the interest rate for similar financial instruments. Cash outflows before discounting are $250,000 and reflect management's estimate of the timing of royalty payment.

The Company has estimated the royalty to be paid in the amount of $133,395 calculated on the estimated cash flows under the addendum over a period of 3.5 years at a rate of 19.5%. The cash outflow before discounting is $250,000 and reflects management's estimate of the timing of the royalty payment. The change in royalty resulted in a gain of $94,314 which was recognized in net income during the year of 2022.

(in Canadian dollars)

11. EQUITY

11.1 Share capital

The share capital of the Company consists of an unlimited number of common shares without par value. All shares are participating and are equally eligible to receive dividends and the repayment of capital and represent one vote each at the shareholders' meeting of the Company.

	July 31, 2023	July 31, 2022
	Number of shares	Number of shares
Shares issued at the beginning	56,680,543	45,056,495
Private placements (b) (c) (e) (g)	6,000,000	7,253,334
Flow-through private placements (b) (e) (f) (g)	12,000,000	3,120,000
Issuance for the settlement of accounts payable (a)	-	80,714
Exercise of warrants	-	470,000
Acquisition of exploration and evaluation assets (d)	-	700,000
Total shares issued and fully paid at the end	74,680,543	56,680,543

(a) On September 24, 2021, the Company has settled a trade account payable of $11,300 by the issuance of 80,714 common shares. No profit or loss was recorded on this transaction.

(b) On December 10, 2021 and December 22, 2021, the Company completed a private financing for a total amount of $587,200. The Company issued 3,120,000 units consisting of one flow-through share and one-half warrant. Each full warrant entitles the holder thereof to subscribe for an equivalent number of common shares of the Company at a price of $0.20 per share for a period of 24 months following the closing of the financing. An amount of $343,200 was allocated to share capital, an amount of $67,481 related to warrants was recorded as an increase of contributed surplus and an amount of $26,119 related to liability component was recorded in the statement of financial position.

The Company also issued 1,253,334 units consisting of one common share and one warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Company at a price of $0.18 per share during a period of 36 months following the closing of the financing. An amount of $142,067 was allocated to share capital, an amount of $8,333 related to warrants was recorded as an increase of contributed surplus.

In addition, the Company paid an amount of $35,000 in commission fees and issued to the agent 195,833 warrants (for a value of $9,364). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.18 per share for a period of 36 months from the date of closing of the placement. The Company paid an amount of $3,528 in commission fees and issued to the agent 29,400 warrants (for a value of $1,385). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.18 per share for a period of 36 months from the date of closing of the placement.

11.1 Share capital (continued)

(c) On June 10, 2022, the Company completed a private financing for a total amount of $360,000. The Company issued 6,000,000 units consisting of one common share and one warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Company at a price of $0.10 per share during a period of 36 months following the closing of the financing. No amount related to warrants was recorded.

In addition, the Company paid an amount of $7,700 in commission fees. The Company issued to the agent 128,333 warrants (for a value of $9,916). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.10 per share for a period of 36 months from the date of closing of the placement.

(d) On June 8, 2022, the Company issued 700,000 common shares (for a total value of $56,000) for the acquisition of 14 mining claims on the Saint-Simon-Les-Mines property.

(e) On October 18, 2022, the Company completed a private financing for a total amount of $225,000. The Company issued 4,500,000 units consists of one flow-through share and one-half warrant. Each full warrant entitles the holder thereof to subscribe for an equivalent number of common shares of the Company at a price of $0.11 per share for a period of 24 months following the closing of the financing. An amount of $67,500 related to warrants was recorded as an increase of contributed surplus.

On October 18, 2022, the Company completed a private financing for a total amount of $105,000. The Company issued 3,000,000 units consisting of one common share and one warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Company at a price of $0.10 per share during a period of 36 months following the closing of the financing. No amount related to warrants was recorded.

In addition, the Company paid an amount of $10,924 in commission fees and issued to the agent 207,970 warrants (for a value of $6,266). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.11 per share for a period of 24 months from the date of closing of the placement. The Company issued to the agent 119,000 warrants (for a value of $3,674). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.10 per share for a period of 36 months from the date of closing of the placement.

(f) On December 19, 2022, the Company completed a private financing for a total amount of $200,000. The Company issued 2,500,000 units consisting of one flow-through share. An amount of $150,000 was allocated to share capital and an amount of $50,000 related to liability component was recorded in the statement of financial position.

In addition, the Company paid an amount of $16,000 in commission fees and issued to the agent 175,000 warrants (for a value of $9,468). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.08 per share for a period of 24 months from the date of closing of the placement.

(in Canadian dollars)

11.1 Share capital (continued)

(g) On June 7, 2023, the Company completed a private financing for a total amount of $300,000. The Company issued 5,000,000 units consists of one flow-through share and one warrant. Each full warrant entitles the holder thereof to subscribe for an equivalent number of common shares of the Company at a price of $0.10 per share for a period of 24 months following the closing of the financing. An amount of $50,000 related to warrants was recorded as an increase of contributed surplus.

On June 7, 2023, the Company completed a private financing for a total amount of $150,000. The Company issued 3,000,000 units consisting of one common share and one warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Company at a price of $0.08 per share during a period of 36 months following the closing of the financing. No amount related to warrants was recorded.

In addition, the Company paid an amount of $19,490 in commission fees and issued to the agent 226,160 warrants (for a value of $8,181). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.10 per share for a period of 24 months from the date of closing of the placement. The Company also issued to the agent 134,400 warrants (for a value of $5,799). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.08 per share for a period of 36 months from the date of closing of the placement.

During the year ended July 31, 2022, 470,000 common shares were issued following the exercise of warrants. An amount of $70,500 that was received was charged to share capital. No amount related to warrants at the time of issue. The weighted average share price at the exercise was $0.15 per share.

11.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares as follows:

	July 31, 2023		July 31, 2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Balance, beginning	28,260,517	0.17	22,646,140	0.19
Granted	13,250,000	0.10	8,813,334	0.13
Exercised	-	-	(470,000)	0.15
Expired	(7,574,833)	0.21	(2,728,957)	0.26
Balance, end	33,935,684	0.13	28,260,517	0.17

(in Canadian dollars)

11.2 Warrants (continued)

The Company recognized an amount of $117,500 ($75,814 as at July 31, 2022) as an increase in contributed surplus and a decrease in share capital in connection with the issuance of 5,250,000 warrants (2,393,334 warrants as at July 31, 2022) issued relating to placement concluded (see note 11.1 (b), 11.1(e) and 11.1(g)).

The fair value of $0.03 of the warrants ($0.043 as at July 31, 2022) granted during flow-through placements was estimated, at the grant date, using the Black-Scholes valuation model, based on the following weighted average assumptions:

	2023	2022
Share price at date of grant	$0.045	$0.11
Expected Dividends yield	0%	0%
Expected volatility	198%	102%
Risk-free interest rate	4,40%	1.19%
Expected life	2 years	2 years
Exercise price at date of grant	$0.10	$0.20

The underlying expected volatility was determined by reference to historical data on the Company's over the expected average life of the warrants.

Outlined below are the outstanding warrants which could be exercised for an equivalent number of common shares:

	July 31, 2023		July 31, 2022	
Expiration date	Number	Exercise price	Number	Exercise price
		$		$
December 2022 (i)	-	-	812,333	0.18
December 2022	-	-	1,562,500	0.21
March 2023	-	-	1,000,000	0.50
June 2023	-	-	4,200,000	0.15
August 2023	8,283,350	0.18	8,283,350	0.18
December 2023	1,560,000	0.20	1,560,000	0.20
February 2024	3,589,000	0.12	3,589,000	0.12
October 2024	2,250,000	0.11	-	-
December 2024	1,253,334	0.18	1,253,334	0.18
June 2025	6,000,000	0.10	6,000,000	0.10
June 2025	5,000,000	0.10	-	-
October 2025	3,000,000	0.10	-	-
June 2026	3,000,000	0.08	-	-
	33,935,684	0.13	28,260,517	0.17

(i) On November 24, 2020, the Company extended 833,333 warrants expiring in December 2020 through December 2022.

(in Canadian dollars)

11.3 Brokers’ warrants

Outstanding brokers’ warrants entitle their holders to subscribe to an equivalent number of common shares as follows:

	July 31, 2023		July 31, 2022	
	Number of broker’s warrants	Weighted average exercise price	Number of broker’s warrants	Weighted average exercise price
		$		$
Balance, beginning	805,528	0.20	467,962	0.23
Granted	862,530	0.10	353,566	0.15
Expired	(226,898)	0.32	(16,000)	0.15
Balance, end	1,441,160	0.12	805,528	0.20

The Company recorded an amount of $33,388 ($20,665 as at July 31, 2022) as issuance cost when the brokers’ warrants were issued and was recorded as an increase to contributed surplus and a decrease to retained deficit.

The weighted average fair value $0.039 ($0.058 as at July 31, 2022) of the brokers’ warrants granted was estimated on the grant date using the Black-Scholes option pricing model, based on the following weighted average assumptions:

	2023	2022
Share price at date of grant	$0.046	$0.09
Expected dividends yield	0%	0%
Expected volatility	210%	140%
Risk-free interest rate	4,14%	1,91%
Expected life	2.4 years	3.0 years
Exercise price at date of grant	$0.10	$0.15

The underlying expected volatility was determined by reference to historical data the Company over the expected average life of the brokers’ warrants.

(in Canadian dollars)

11.3 Brokers' warrants (continued)

Outlined below are the outstanding brokers' warrants which could be exercised for an equivalent number of common shares:

	July 31, 2023		July 31, 2022	
Expiration date	Number	Exercise price	Number	Exercise price
		$		$
March 2023	-	-	105,714	0.40
March 2023	-	-	60,000	0.35
June 2023	-	-	61,184	0.15
August 2023	106,664	0.18	106,664	0.18
February 2024	118,400	0.12	118,400	0.12
October 2024	207,970	0.11	-	-
December 2024	175,000	0.08	-	-
December 2024	225,233	0.18	225,233	0.18
June 2025	128,333	0.10	128,333	0.10
June 2025	226,160	0.10	-	-
October 2025	119,000	0.10	-	-
June 2025	134,400	0.08	-	-
	1,441,160	0.12	805,528	0.20

12 EMPLOYEE REMUNERATION

12.1 Salaries and employee benefits expense

Salaries and employee benefits expense are analyzed as follows:

	July 31,	
	2023	2022
	$	$
Salaries and benefits	306,485	226,658
Management fees	10,417	35,417
Remuneration of directors	32,500	24,000
	349,402	286,075

(in Canadian dollars)

12.2 Share-based payments

On September 1st, 2020, the Company adopted a new share-based payment plan under which the Board of Directors may award to directors, officers, employees and consultants, share options entitling its holder to purchase common shares of the Company. The maximum number of shares issuable under the plan is 3,380,000 common shares (3,380,000 as at July 31, 2021).

The exercise price of each share option is determined by the Board of Directors and cannot be less than the discount market price of common shares as defined by TSX Venture Exchange policies and the term cannot exceed ten years.

The maximum number of common shares that can be issued to a beneficiary, during any 12-month period is limited to 5% of issued and outstanding shares.

The maximum numbers of shares that can be issued to a consultant during any 12-month period is limited to 2% of issued and outstanding shares. Moreover, the share options granted to consultants performing investor relations activities shall be exercised by stages over a 12-month period after the grant, at a rate of 25% per quarter.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the share options in cash.

The Company's share options are as follows for the reporting period presented:

	July 31, 2023		July 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Outstanding, beginning	3,380,000	0.14	3,380,000	0.14
Expired	(50,000)	0.17	-	-
Outstanding at end of reporting period	3,330,000	0.14	3,380,000	0.14
Exercisable, end	3,330,000	0.14	3,380,000	0.14

The table below summarizes the information related to outstanding share options as at July 31, 2023:

Outstanding options		
Number	Exercice price	Remaining contractual life
	$	years
1,480,000	0.12	2.43
1,850,000	0.16	0.56
3,330,000	0.14	1.39

(in Canadian dollars)

12.2 Share-based payments (continued)

The table below summarizes the information related to outstanding share options as at July 31, 2022:

Outstanding options		
Number	Exercice price	Remaining contractual life
	$	years
1,480,000	0.12	3.43
1,850,000	0.16	1.56
50,000	0.17	0.05
3,380,000	0.14	2.35

13. FAIR VALUE MEASUREMENT

The fair value hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities and the instruments measured at cost. The fair value hierarchy has the following levels:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;

– Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

– Level 3: Inputs for the assets or liabilities that are not based on observable market data.

As at July 31, 2023, the fair value of the non-current royalty payable is $162,391 ($135,892 as at July 31, 2022). The royalty payable is classified in the level 3 of the fair value hierarchy.

The discounting technique and assumptions used by management for the derecognition of royalty payable are presented in Note 10.

During the year, an amount of $26,499 ($2,497 as at July 31,2022) was recognized in profit or loss as accretion charge on royalty payable and an amount of $29,311 as at July 31, 2022 was recognized in profit or loss as change in fair value of royalty payable.

14. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, dilutive potential common shares such as warrants, brokers' warrants and share options have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 11.2, 11.3 and 12.2.

(in Canadian dollars)

14. LOSS PER SHARE (continued)

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss were necessary as at July 31, 2023 and 2022.

	July 31,	
	2023	2022
Net loss	$(709,246)	$(519,476)
Weighted average number of outstanding shares	65,302,461	49,284,589
Basic and diluted loss per share	$(0.01)	$(0.01)

15. INCOME TAXES

Major components of tax expense (income)

The major components of tax expense (income) are outlined below:

	2023	2022
	$	$
Origination and reversal of temporary differences	(201,264)	(153,121)
Tax effect of flow-through shares	146,534	191,554
Reversal of the liability related to flow-through shares	(57,723)	(60,195)
Adjustments of prior deferred tax	1,861	28,391
Temporary differences not recorded	52,869	(66,824)
	(57,723)	(60,195)

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statement of comprehensive loss can be reconciled as follows:

	2023	2022
	$	$
Expected tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5%	(203,247)	(153,613)
Adjustments for the following items:		
Fiscal impact of temporary difference not recorded	52,869	(66,824)
Adjustments of prior deferred tax	1,861	28,391
Tax effect of flow-through shares	146,534	191,554
Reversal of the liability related to flow-through shares	(57,723)	(60,195)
Share-based payments	-	332
Non-deductible expenses and others	1,983	160
Deferred income tax income	(57,723)	(60,195)

(in Canadian dollars)

15. INCOME TAXES (continued)

Deferred tax assets and liabilities and variation of recognized amounts during the fiscal year

The following differences between the carrying amounts and tax bases from temporary differences and unused tax losses give rise to the following recognized deferred income tax assets and liabilities, and the following unrecognized temporary differences and unused tax losses:

	Balance, August 1st, 2022	Recognized in profit or loss	Recognized in equity	Balance, July 31, 2023
	$	$	$	$
Recognized				
Exploration and evaluation assets	(486,624)	(143,063)	-	(629,687)
Non-capital losses	486,624	143,063	-	629,687
Recognized deferred tax assets and liabilities	-	-	-	-
Reversal of the liability related to flow-through shares		(57,723)		
Variation of deferred income tax in the statement of comprehensive loss		(57,723)		

	Balance, August 1st, 2021	Recognized in profit or loss	Recognized in equity	Balance, July 31, 2022
	$	$	$	$
Recognized				
Exploration and evaluation assets	(263,628)	(222,996)	-	(486,624)
Non-capital losses	263,628	2222,996	-	486,624
Recognized deferred tax assets and liabilities	-	-	-	-
Reversal of the liability related to flow-through shares		(60,195)		
Variation of deferred income tax in the statement of comprehensive loss		(60,195)		

(in Canadian dollars)

15. INCOME TAXES (continued)

Deferred tax assets and liabilities and variation of recognized amounts during the fiscal year (continued)

	July 31, 2023	
	Federal	Provincial
	$	$
Deductible temporary differences and tax losses not recognized		
Property and equipment	8,288	8,288
Issuance cost of units	127,578	127,578
Provision	198,569	198,569
Royalties	162,391	162,391
Unused non-capital losses carry-forwards	539,385	518,506
	1,036,211	1,015,333

	July 31, 2022	
	Federal	Provincial
	$	$
Deductible temporary differences and tax losses not recognized		
Issuance cost of units	129,342	129,342
Provision	124,558	124,558
Royalties	135,892	135,892
Unused non-capital losses carry-forwards	382,773	385,710
	772,565	775,502

The ability to realize the tax benefits depends on many factors, including the probability to generate future taxable incomes. The deferred tax assets are recognized only if it is probable that sufficient taxable profits will be available to allow the recovery of these assets. Therefore, some deferred tax assets have not been recognized, these unrecognized assets totaling an amount of $272,195 ($205,069 in 2022).

The Company has non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recorded in the statement of financial position that can be carried over the following years:

	Federal	Provincial
	$	$
2043	539,385	518,506
	539,385	518,506

(in Canadian dollars)

16. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

	As at July 31,	
	2023	2022
	$	$
Goods and services tax receivable	23,564	41,691
Prepaid expenses	(772)	(1,160)
Advance for exploration and evaluation expenses	7,500	52,500
Trade and other payables	3,856	7,326
	34,148	100,357

Non-cash financial position transactions are detailed as follows:

	As at July 31,	
	2023	2022
	$	$
Trade and other payables included in exploration and evaluation assets	25,503	110,590
Issuance of shares for settlement of an account payable	-	11,300
Issuance of equity instruments for issuance cost of units	33,388	20,665
Issuance of shares included in exploration and evaluation assets	-	56,000
Tax credits included in exploration and evaluation assets	-	2,225

17. RELATED PARTY TRANSACTIONS

The Company's related parties include key management, companies held by a director or an officer and a company with significant influence.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

(in Canadian dollars)

17.1 Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors and officers. Key management personnel remuneration includes the following expenses:

	July 31,	
	2022	2022
	$	$
Salaries and benefits	306,485	226,658
Management fees [(1)]	10,417	35,417
Consultant [(1)]	46,820	24,700
Remuneration of directors	32,500	24,000
	396,222	310,775

[(1)] Paid to a company owned by a director

Trade and other payables include an amount of $34,333 ($13,389 as at July 31, 2022) due to officers, salaries payable of $102,946 ($50,285 as at July 31, 2022) as well as $105,250 ($72,750 as at July 31, 2022) due to directors.

17.2 Transactions with a company having significant influence

Trade and other payables include an amount of $39,583 ($14,583 as of July 31, 2022) relating to interest payable on royalty.

18. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company’s capital management objectives are to ensure the Company’s ability to continue as a going concern, to increase the value of the assets of the business, and to provide an adequate return to owners of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flows, either with partners or by the Company’s own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues a flow-through placement for which an amount should be used for exploration work, details of which are given in Notes 11.1 and 20.

The Company finances its exploration and evaluation activities mainly by seeking additional capital either through private placements or public placements. When funding conditions are not optimal, the Company can sign option agreements or other agreements to be able to continue its exploration and evaluation activities or can slow down its activities until conditions funding improves.

19. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk.

The Company risk management is coordinated in close cooperation with the Board of Directors. The objectives focus on actively securing the Company short-term to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below.

19.1 Credit risk

Credit risk is the risk than another party to a financial instrument fails to its obligations and, therefore, leads the Company to incur a financial loss.

The Company’s maximum exposure to credit risk is limited to the carrying amount of cash for an amount of $503,000 as at July 31, 2023 ($822,636 as at July 31, 2022).

The credit risk for cash is considered negligible since the counterparty is a reputable bank with high quality external credit ratings.

19.2 Liquidity risk

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

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the year, the Company has financed its exploration programs, its working capital requirements through private placements.

The Company expects to respect its obligations with its cash flows related to placements.

Trade and other payables for an amount of $68,079 ($140,771 as at July 31, 2022), have contractual maturities of less than twelve months. Royalty and interest payable of $289,583 ($264,583 as at July 31, 2022) have maturities between one and five years.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash and Goods and services tax receivable.

20. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through units and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the first of the following dates:

- Two years following the flow-through financings;
- One year after the Company has renounced the tax deductions relating to the exploration work.

20. CONTINGENCIES AND COMMITMENTS (continued)

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard.

Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

The Company entered into agreements with subscribers whereby the Company has to incur $295,000 of Canadian Exploration Expenses before December 31, 2023 ($433,680 as of July 31, 2022 to be spent by December 31, 2022). As at July 31, 2023, $19,614 has been spent ($328,457 as of July 31, 2022).