YUKON METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOUR MONTH PERIOD ENDED DECEMBER 31, 2024
AND THE YEAR ENDED AUGUST 31, 2024
(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Yukon Metals Corp.

Opinion

We have audited the consolidated financial statements of Yukon Metals Corp. (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and August 31, 2024 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and August 31, 2024, and its consolidated financial performance and its consolidated cash flows for the periods then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the period ended December 31, 2024. We have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation Assets

As disclosed in Note 4 to the consolidated financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. Refer to Note 2 to the consolidated financial statements for a description of the accounting policy applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2024.

Why the matter was determined to be a key audit matter
We considered this a key audit matter due to (i) the significance of the mining claims and deferred exploration costs balance and (ii) the judgments made by management in its assessment of indicators of impairment related to mining claims and deferred exploration costs, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit
We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;

- Considering the status of the relevant exploration areas by holding discussions with management, and reviewing the Group's exploration budget and directors' minutes;

- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;

- Assessing the adequacy of the related disclosures in Note 2 and Note 4 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group’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 Group’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 consolidated 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 Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 Diana Huang.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
April 23, 2025

YUKON METALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	December 31, 2024 $	August 31, 2024 $
ASSETS			
Current assets			
Cash and cash equivalents		4,284,313	6,134,865
Term deposit		4,086,574	4,000,000
Accounts receivable		70,618	105,588
Prepaid expenses		152,059	289,493
		8,593,564	10,529,946
Reclamation bond		10,267	10,267
Property and equipment	**3**	70,574	8,966
Exploration and evaluation assets	**4**	9,534,794	8,793,244
Total assets		18,209,199	19,342,423
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**10**	228,869	447,133
Short-term lease liability	**5**	30,859	-
		259,728	447,133
Lease liability	**5**	27,331	-
		287,059	447,133
SHAREHOLDERS' EQUITY			
Share capital	**6**	18,282,498	18,268,749
Reserves	**6**	3,483,165	3,046,302
Deficit		(3,843,523)	(2,419,761)
		17,922,140	18,895,290
Total liabilities and shareholders’ equity		18,209,199	19,342,423

Nature of operations (Note 1)
Subsequent events (Note 13)

“Patrick Burke” Director   “Rory Quinn” Director

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

YUKON METALS CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the four month period ended December 31, 2024 and the year ended August 31, 2024
(Expressed in Canadian Dollars)

	Notes	For the period ended December 31, 2024 $	For the year ended August 31, 2024 $
EXPENSES			
Consulting fees	**10**	-	74,535
Management and director fees	**10**	133,527	126,846
Marketing		361,079	285,659
Office and miscellaneous		154,517	50,191
Professional fees	**10**	175,129	313,478
Property investigation		17,325	332,216
Salaries and wages	**10**	277,321	202,520
Share-based compensation	**6, 10**	441,098	378,856
Transfer agent, filing and listing fees		17,684	119,160
Loss before other items		(1,577,680)	(1,883,461)
Other items			
Foreign exchange loss		(824)	(3,779)
Impairment of mineral property	**4**	-	(234,140)
Interest income		155,725	134,370
Accretion expense	**5**	(983)	-
NET LOSS AND COMPREHENSIVE LOSS		(1,423,762)	(1,987,010)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.02)	(0.05)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		89,168,630	39,294,433

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

YUKON METALS CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the four month period ended December 31, 2024 and the year ended August 31, 2024
(Expressed in Canadian Dollars)

	Number of Shares #	Share Capital $	Reserves $	Deficit $	Total $
Balance, August 31, 2023	21,620,000	853,634	27,526	(432,751)	448,409
Issued during the year:					
For cash	41,787,155	12,536,146	2,663,211	-	15,199,357
Less: share issuance costs	-	(525,322)	-	-	(525,322)
For acquisition of Lapie Mining Inc. (Note 4)	25,000,000	5,311,000	-	-	5,311,000
Exercise of options	550,000	78,291	(23,291)	-	55,000
Exercise of warrants	150,000	15,000	-	-	15,000
Share-based compensation	-	-	378,856	-	378,856
Net loss for the year	-	-	-	(1,987,010)	(1,987,010)
Balance, August 31, 2024	89,107,155	18,268,749	3,046,302	(2,419,761)	18,895,290
Issued during the period:					
Exercise of options	100,000	14,235	(4,235)	-	10,000
Less: share issuance costs	-	(486)	-	-	(486)
Share-based compensation	-	-	441,098	-	441,098
Net loss for the period	-	-	-	(1,423,762)	(1,423,762)
Balance, December 31, 2024	89,207,155	18,282,498	3,483,165	(3,843,523)	17,922,140

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

YUKON METALS CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the four month period ended December 31, 2024 and the year ended August 31, 2024
(Expressed in Canadian Dollars)

	December 31, 2024 $	August 31, 2024 $
Operating activities:		
Net loss	(1,423,762)	(1,987,010)
Items not involving cash:		
Depreciation	6,517	400
Impairment of mineral property	-	234,140
Accrued interest income	(86,574)	-
Share-based compensation	441,098	378,856
Accretion	983	-
Changes in non-cash operating working capital items:		
Accounts receivable	34,970	(102,442)
Prepaid expenses	137,434	(271,870)
Accounts payable and accrued liabilities	18,183	(33,939)
Net cash used in operating activities	(871,151)	(1,781,865)
Investing activities:		
Term deposit	-	(4,000,000)
Exploration and evaluation costs	(977,997)	(808,982)
Acquisition of Lapie Mining Inc.	-	(2,223,332)
Acquisition of equipment	(7,912)	(9,366)
Net cash used in investing activities	(985,909)	(7,041,680)
Financing activities:		
Proceeds from private placements	-	15,199,357
Share issue costs	(486)	(525,322)
Lease payments	(3,006)	-
Exercise of options	10,000	55,000
Exercise of warrants	-	15,000
Net cash provided by financing activities	6,508	14,744,035
Increase (decrease) in cash and cash equivalents	(1,850,552)	5,920,490
Cash and cash equivalents – beginning	6,134,865	214,375
Cash and cash equivalents – end	4,284,313	6,134,865
Cash and cash equivalents consist of:		
Cash	3,153,094	5,019,865
GIC	1,131,219	1,115,000
Cash and cash equivalents	4,284,313	6,134,865

Supplemental cash flow information (Note 11)

1. NATURE OF OPERATIONS

Yukon Metals Corp. ("the Company" or "YMC") was incorporated under the Business Corporations Act of British Columbia on November 9, 2020. The Company is engaged in the exploration and development of mineral properties in Canada. The Company's head office is located at 1290 – 625 Howe Street, Vancouver, BC, V6C 2T6.

On May 30, 2024, the Company acquired Lapie Mining Inc. (Note 4) from 18526 Yukon Inc. for consideration of $2,000,000 in cash and 25,000,000 common shares in the capital of the Company (the "Transaction"). Pursuant to the Transaction, the Company acquired the AZ, Barite Mountain, Birch, Carter Gulch, Clea, Eva, Expo, Faro North, Fox, Gem, Star River (formerly, "Ketza"), Nut, Pete, Risby, Talbot claims and the Venus claims and crown grants located in Yukon.

On May 30, 2024, the Company completed a name change from JKS Resources Inc. to Yukon Metals Corp.

On June 3, 2024, the common shares of the Company resumed trading on the Canadian Securities Exchange (the "CSE") under the symbol "YMC". On June 19, 2024, the common shares of the Company commenced trading on the Frankfurt Stock Exchange under the symbol "E770". The Company's common shares also commenced trading on the OTCQB Market under the symbol "YMMCF" on October 8, 2024.

The Company has changed its year end to December 31 and these consolidated financial statements reflect its operations for the four month period ended December 31, 2024, with the comparative being for the twelve month year ended August 31, 2024.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2024, the Company had working capital of $8,333,836. Subsequent to December 31, 2024, the Company completed a private placement for aggregate gross proceeds of $11,225,000 (see Note 13). Management believes the Company has sufficient resources to sustain operations for the next 12 months, although the Company will need additional funding to achieve its long-term business objectives. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. MATERIAL ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been presented in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the board of directors for issue on April 23, 2025.

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary. Subsidiaries are those entities controlled by the Company. Control exists when the Company is exposed to or has rights to the variable returns from the subsidiary and has the ability to affect those returns through its power over the subsidiary. Power is defined as existing rights that give the Company the ability to direct the relevant activities of the subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is transferred to the Company to the date control ceases. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

The following is a list of subsidiary and its geographical location as at December 31, 2024 and August 31, 2024:

Subsidiary	Place of Incorporation	Beneficial Interest at December 31, 2024	Beneficial Interest at August 31, 2024
Lapie Mining Inc.	Canada	100%	100%

d) Foreign currencies

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

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and cash equivalents that are readily convertible into cash and which are subject to insignificant risk of changes in value.

f) Financial instruments

The Company classified cash and cash equivalents as fair value through profit or loss, initially and subsequently measured at fair value, and term deposit, reclamation deposit and accounts payable and accrued liabilities as amortized cost, initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

g) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, costs directly related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. These direct expenditures include such costs as materials used, surveying, drilling, and payments made to contractors during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general administrative overhead costs, and cost incurred prior to legal right has been obtained are expensed in the period in which they occur.

Management of the Company periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or property will be abandoned then the capitalized costs are written off, or if its fair value has been impaired, then it is written down to fair value.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

h) Property and equipment

Property and equipment is carried at cost less accumulated depreciation and impairment losses. The cost includes purchase price and any costs directly attributable to bringing the item of property and equipment to the location and condition necessary for its intended use. The cost also includes any reclamation and site restoration costs related to the item of property and equipment.

The Company depreciates property and equipment based on its useful lives. The useful life of computer equipment is 3 years. The useful life of office equipment is 5 years.

i) Impairment of long-lived assets

At each reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. Impairment is normally assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

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

j) Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at December 31, 2024 and August 31, 2024, the Company has no known material restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets.

k) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares and warrants are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the value ascribed to the placement and the balance, if any, is allocated to the attached warrants.

l) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive. Contingently releasable escrow common shares are excluded from the calculation of weighted average number of common shares outstanding.

m) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

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

n) Leases

The Company accounts for leases under IFRS 16, recognizing the right of use asset and the lease liability at lease commencement date.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Company amortizes the right of use asset over the lease term of two years.

The right of use asset is subsequently adjusted for any impairment losses and remeasurement to the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate as the discount rate. The lease liability is subsequently remeasured in case of any reassessment or lease modifications.

o) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

p) Critical accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Exploration and evaluation assets
The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available. Determination of whether an impairment has occurred requires highly subjective assumptions.

Valuation of shares issued
The estimated fair value of shares issued to acquire Lapie Mining Inc. involves significant estimates related to the fair value adjustment for a discount using the average of the Average Price Option Pricing Model and the Black-Scholes Option Pricing Model. Some of the inputs are not directly observable. See Note 4.

Critical Accounting Judgments

Determination of Transaction as asset acquisition vs. business combination
The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisition of Lapie Mining Inc., judgment was required to determine if the acquisition represented a business combination or asset acquisition. More specifically, management concluded that Lapie Mining Inc. did not represent a business as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the Transaction represented the acquisition of assets, there was no goodwill recognized and the transaction costs were capitalized to the assets acquired rather than expensed.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Management has determined that the Company will have sufficient working capital for at least the next 12 months. There are no material uncertainties which may raise substantial doubt about the Company's going concern assumption.

q) Accounting standards issued but not yet effective

The following new standards and interpretations have been issued by the IASB, but are not yet effective and have not been applied in preparing these consolidated financial statements. The Company will adopt the amendments on their effective dates.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.

2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3. Enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is currently in the process of assessing its impact on future financial statements.

(Expressed in Canadian Dollars)

3. PROPERTY AND EQUIPMENT

	Computers	Office Equipment	Right of Use Asset	Total
Cost	$	$	$	$
As at August 31, 2023	-	-	-	-
Additions	9,366	-	-	9,366
As at August 31, 2024	9,366	-	-	9,366
Additions	6,419	1,493	60,213	68,125
As at December 31, 2024	**15,785**	**1,493**	**60,213**	**77,491**
Accumulated Depreciation				
As At August 31, 2023	-	-	-	-
Depreciation expense	(400)	-	-	(400)
As at August 31, 2024	(400)	-	-	(400)
Depreciation expense	(1,487)	(12)	(5,018)	(6,517)
As at December 31, 2024	**(1,887)**	**(12)**	**(5,018)**	**(6,917)**
Net book value				
As at August 31, 2024	8,966	-	-	8,966
As at December 31, 2024	**13,898**	**1,481**	**55,195**	**70,574**

4. EXPLORATION AND EVALUATION ASSETS

Sowchea Property

On January 8, 2021, as amended February 5, 2021 and November 9, 2021, the Company, when it was JKS Resources Inc., entered into an option agreement (the "Option Agreement") with Dorval Exploration Inc. ("Dorval"), to acquire a 100% interest in the Sowchea property (the "Sowchea Property"). The Sowchea Property is located in Fort St James in the Omineca Mining Division in the Province of British Columbia.

To fully exercise the option and acquire a 100% right, title and interest in and to the Sowchea Property, the Company was required to:

- Pay $25,000 in cash within five business days of the execution of the Option Agreement (paid in January 2021);
- Pay $25,000 and issue 200,000 common shares within five business days of the listing date (paid and issued shares valued at $27,000 in December 2022);
- Pay $25,000, issue 500,000 common shares and incur exploration expenditures of $150,000 on or before May 29, 2024; and
- Issue 750,000 common shares and incur exploration expenditures of $500,000 on or before March 29, 2025.

(Expressed in Canadian Dollars)

During the year ended August 31, 2024, the Company determined not to proceed with the Sowchea Property and accordingly, recorded an impairment loss of $234,140 to write down Sowchea Property to its recoverable value of $Nil. The fair value of the property was a Level 3 estimate in the fair value hierarchy.

Acquisition of Lapie Mining Inc.

On January 12, 2024, the Company entered into a definitive purchase and sale agreement with 18526 Yukon Inc. (the "Vendor"), pursuant to which on May 30, 2024, the Company acquired all of the issued and outstanding common shares of Lapie Mining Inc. ("Lapie"), a wholly owned subsidiary of the Vendor, in exchange for $2,000,000 cash and 25,000,000 common shares of the Company, which are subject to release over a period of 3 years.

The Vendor would retain a royalty equal to 2.5% of the net smelter returns in respect of each of the properties, subject to a right of repurchase of 0.5% of each royalty at a cost of $1,000,000 per royalty payable in gold or cash.

Pursuant to the acquisition of Lapie, the Company acquired the AZ, Barite Mountain, Birch, Carter Gulch, Clea, Eva, Expo, Faro North, Fox, Gem, Nut, Pete, Risby, Star River, Talbot claims and the Venus claims and crown grants located in the Yukon.

In accordance with IFRS 3, Business Combinations, the Company was identified as the accounting acquirer and Lapie as the acquiree. Lapie was not considered to meet the definition of a business under IFRS 3, and accordingly the transaction has been accounted for as an asset acquisition. The Transaction was accounted for in accordance with IFRS 2, Share-based Payments, whereby equity instruments issued were recognized at fair value and allocated to the fair value of the net assets acquired. The consideration paid was allocated to the net assets acquired as follows:

Net assets acquired	**$**
Assets acquired	
Accounts receivable	1,959
Prepaid	10,500
Exploration and evaluation assets	7,690,683
Liabilities assumed	
Accounts payable and accrued liabilities	(168,810)
Net assets as at May 30, 2024	7,534,332
Purchase price	
Cash	2,000,000
Fair value of 25,000,000 common shares issued	5,311,000
Transaction costs	223,332
Total purchase price	7,534,332

(Expressed in Canadian Dollars)

The fair value of the 25,000,000 common shares was determined based on the price of the concurrent private placement financing of $0.30 per share, adjusted for a discount of $2,189,000 to account for the timing of the share releases from escrow over the 36-month period. The discount was calculated using the average of the Average Strike Price Options Pricing model and the Black-Scholes Option Pricing Model, with the following assumptions: share price of $0.30, term of 1-3 years, volatility of 100%, risk free rate of 4.34%, and expected dividends of $nil.

Fairway Property and Expansion of Existing Properties

Subsequent to the acquisition of Lapie, the Company acquired mineral claims of Fairway and also expanded its footprints at AZ, Birch and Talbot.

Lapie now owns the AZ, Barite Mountain, Birch, Carter Gulch, Clea, Eva, Expo, Fairway, Faro North, Fox, Gem, Nut, Pete, Risby, Star River, Talbot claims and the Venus claims and crown grants located in Yukon (the "Properties").

Below is a summary of the changes in the exploration and evaluation assets during the year ended August 31, 2024:

PROPERTY	Opening Balance $	Acquisition Costs $	Impairment Expense $	Exploration Costs $	Ending Balance $
Sowchea	234,140	-	(234,140)	-	-
AZ	-	1,153,603	-	27,727	1,181,330
Barite Mountain	-	76,907	-	-	76,907
Birch	-	615,255	-	327,093	942,348
Carter Gulch	-	230,720	-	-	230,720
Clea	-	134,587	-	-	134,587
Eva	-	134,587	-	-	134,587
Expo	-	1,615,043	-	4,183	1,619,226
Fairway	-	-	-	3,344	3,344
Faro North	-	76,907	-	-	76,907
Fox	-	134,587	-	-	134,587
Gem	-	76,907	-	-	76,907
Star River	-	1,615,043	-	711,484	2,326,527
Nut	-	615,255	-	640	615,895
Pete	-	230,720	-	-	230,720
Risby	-	134,587	-	-	134,587
Talbot	-	615,255	-	27,984	643,239
Venus	-	230,720	-	106	230,826
TOTAL	**234,140**	**7,690,683**	**(234,140)**	**1,102,561**	**8,793,244**

(Expressed in Canadian Dollars)

Below is a summary of the changes in the exploration and evaluation assets during the period ended December 31, 2024:

PROPERTY	Opening Balance $	Acquisition Costs $	Exploration Costs $	Ending Balance $
AZ	1,181,330	-	97,482	1,278,812
Barite Mountain	76,907	-	-	76,907
Birch	942,348	37,742	216,444	1,196,534
Carter Gulch	230,720	-	80	230,800
Clea	134,587	-	-	134,587
Eva	134,587	-	-	134,587
Expo	1,619,226	-	1,380	1,620,606
Fairway	3,344	-	100,305	103,649
Faro North	76,907	-	-	76,907
Fox	134,587	-	-	134,587
Gem	76,907	-	-	76,907
Nut	615,895	-	363	616,258
Pete	230,720	-	-	230,720
Risby	134,587	-	614	135,201
Star River	2,326,527	-	285,903	2,612,430
Talbot	643,239	-	1,077	644,316
Venus	230,826	-	160	230,986
TOTAL	**8,793,244**	**37,742**	**703,808**	**9,534,794**

(Expressed in Canadian Dollars)

Below is a summary of the exploration costs incurred during the year ended August 31, 2024:

Costs	AZ $	Birch $	Expo $	Fairway $	Nut $	Star River $	Talbot $	Venus $	Total $
Camp	5,521	213,245	-	-	-	474,152	17,348	-	710,266
Field staff & consultants	6,808	22,199	3,733	3,344	640	39,430	3,903	106	80,163
Geophysics	-	12,000	-	-	-	137,753	2,625	-	152,378
Surveying	-	4,108	-	-	-	22,500	4,108	-	30,716
Sampling	-	67,125	-	-	-	-	-	-	67,125
Supplies	12,598	6,948	-	-	-	10,083	-	-	29,629
Travel	2,800	1,468	450	-	-	27,566	-	-	32,284
TOTAL	**27,727**	**327,093**	**4,183**	**3,344**	**640**	**711,484**	**27,984**	**106**	**1,102,561**

Below is a summary of the exploration costs incurred during the period ended December 31, 2024:

Costs	AZ $	Birch $	Carter Gulch $	Expo $	Fairway $	Nut $	Risby $	Star River $	Talbot $	Venus $	Total $
Camp	35,290	117,502	-	-	41,002	-	-	83,649	997	-	278,440
Environmental					962	-	-	-	-		962
Field staff & consultants	32,298	40,757	80	1,380	8,278	363	614	29,629	80	160	113,639
General	-	4,172	-	-	-	-	-	10,014	-	-	14,186
Geological	-	-	-	-	-	-	-	16,150	-	-	16,150
Geophysics	-	13,000	-	-	20,476	-	-	120,518	-	-	153,994
Surveying	3,809	-	-	-	3,809	-	-	-	-	-	7,618
Sampling	10,125	31,658	-	-	22,218	-	-	21,759	-	-	85,760
Supplies	1,007	-	-	-	-	-	-	-	-	-	1,007
Travel	14,953	9,355	-	-	3,560	-	-	4,184	-	-	32,052
TOTAL	**97,482**	**216,444**	**80**	**1,380**	**100,305**	**363**	**614**	**285,903**	**1,077**	**160**	**703,808**

(Expressed in Canadian Dollars)

5. LEASE LIABILITY

On November 1, 2024, the Company entered into an office lease agreement which expires on October 31, 2026. The fixed monthly payments are $3,005 for the first 12 months and $3,099 for the remaining 12 months, with a rent-free period of two months. The Company is also responsible for variable occupancy costs and other charges. At the date of recognition, the lease liability and the right of use asset were measured at the present value of the fixed lease payments due, discounted using an interest rate of 10% per annum.

	December 31, 2024
	$
Balance, beginning	-
Additions	60,213
Lease payments	(3,006)
Interest expense	983
Balance, end of year	58,190
Less: current portion	(30,859)
Non-current portion	**27,331**

The following is a schedule of the Company's future minimum lease payments related to the lease obligation:

	December 31, 2024
	$
2025	33,247
2026	30,997
Total minimum lease payments	64,244
Less: imputed interest	(6,054)
Total present value of minimum lease payments	58,190

6. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Issued and outstanding

As at December 31 2024, the Company had 89,207,155 (August 31, 2024 – 89,107,155) common shares issued and outstanding.

c) Common share transactions

Period ended December 31, 2024

- The Company issued 100,000 common shares pursuant to the exercise of 100,000 agent's options with an exercise price of $0.10 per share for total proceeds of $10,000. The share price on the date of exercise was $0.50. A value of $4,235 was transferred from the reserves to share capital as a result.

Year ended August 31, 2024

- On May 3, 2024, the Company completed a non-brokered Share Private Placement by issuing 24,032,417 Subscription Receipts at a price of $0.30 per Subscription Receipt for gross proceeds of $7,209,725. Each Subscription Receipt was automatically exercised into one common share of the Company upon completion of the Transaction on May 30, 2024 (Note 4).

  On May 3, 2024, the Company completed a non-brokered Unit Private Placement by issuing 17,754,738 Unit Subscription Receipts at a price of $0.45 per Unit Subscription Receipt for gross proceeds of $7,989,632. Each Unit Subscription Receipt was automatically exercised into one common share and one-half of one common share purchase warrant upon completion of the Transaction on May 30, 2024 (Note 4). Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.60 up to May 3, 2027. The Company used the residual method and measured the fair value of the common shares first and allocated the residual value to the warrants. The fair value of a share was determined to be $0.30 and accordingly, $2,663,211 was allocated to the warrants.

  In connection with the private placements, the Company incurred cash finders' fees of $359,243 and other share issuance costs including legal fees and filing fees of $166,079.

- On May 30, 2024, the Company issued 25,000,000 common shares at the fair value of $5,311,000 to acquire Lapie (Note 4).

- The Company issued 550,000 common shares pursuant to the exercise of 550,000 options with an exercise price of $0.10 per share for total gross proceeds of $55,000. The share price on the date of exercise was $0.35. A value of $23,291 was transferred from the reserves to share capital as a result.

- The Company issued 150,000 common shares pursuant to the exercise of 150,000 warrants with an exercise price of $0.10 per warrant for total proceeds of $15,000.

(Expressed in Canadian Dollars)

d) Escrowed shares

The Company entered into an escrow agreement, whereby 2,000,000 common shares are held in escrow. The Escrow shares will be released as follows:

Date of Automatic Timed Release	Amount of Escrow Securities Released
On the date that the Company's common shares were listed on the CSE, November 30, 2022	10% of the escrow shares (released)
6 months after the listing date (May 29, 2023)	15% of the escrow shares (released)
12 months after the listing date (November 30, 2023)	15% of the escrow shares (released)
18 months after the listing date (May 29, 2024)	15% of the escrow shares (released)
24 months after the listing date (November 30, 2024)	15% of the escrow shares (released)
30 months after the listing date (May 29, 2025)	15% of the escrow shares
36 months after the listing date (November 30, 2025)	The remainder of the escrow shares

In connection with the acquisition of Lapie, the Company entered into another escrow agreement, resulting in 25,000,000 common shares being placed in escrow. The Escrow shares will be released as follows:

Date of Automatic Timed Release	Amount of Escrow Securities Released
On the date that the Company's common shares resumed trading on the CSE, June 3, 2024	10% of the escrow shares (released)
6 months after the trading date (December 3, 2024)	15% of the escrow shares (released)
12 months after the trading date (June 3, 2025)	15% of the escrow shares
18 months after the trading date (December 3, 2025)	15% of the escrow shares
24 months after the trading date (June 3, 2026)	15% of the escrow shares
30 months after the trading date (December 3, 2026)	15% of the escrow shares
36 months after the trading date (June 3, 2027)	The remainder of the escrow shares

During the period ended December 31, 2024, 4,050,000 shares were released from escrow (year ended August 31, 2024 – 3,100,000). As at December 31, 2024, 19,350,000 common shares of the Company were held in escrow (August 31, 2024 – 23,400,000).

e) Options

Pursuant to the Company's equity incentive compensation plan (the "Option Plan"), the Company may grant incentive stock options to directors, officers, employees and consultants of the Company or any subsidiary thereof. The total number of shares issuable pursuant to the

(Expressed in Canadian Dollars)

Option Plan is up to a maximum of 10% of the issued and outstanding common shares of the Company at any given time. The exercise price of each stock option shall not be lower than the market price or such discount from the market price as may be permitted by the stock exchange on which the common shares are listed and provided that no stock option shall have a term exceeding ten years (or such longer period as is permitted by the stock exchange on which the common shares are listed). The Board of Directors determines the vesting terms of the stock options which may vary between grants.

The activity of the stock options during the period ended December 31, 2024 and year ended August 31, 2024 is as follows:

	Number of options	Weighted average exercise price
		$
Balance, August 31, 2023	650,000	0.10
Granted	4,700,000	0.45
Exercised	(550,000)	0.10
Balance, August 31, 2024	4,800,000	0.44
Granted	1,150,000	0.44
Exercised	(100,000)	0.10
Cancelled	(400,000)	0.45
Forfeited	(450,000)	0.45
Balance, December 31, 2024	**5,000,000**	**0.45**
Exercisable, December 31, 2024	**1,950,000**	**0.45**

The 4,700,000 stock options granted during the year ended August 31, 2024 vest as to 50% every 6 months after the grant date. For the options granted during the period ended December 31, 2024, 25,000 options vested on November 30, 2024 and 1,125,000 options are vesting at 50% every 6 months after grant date.

The following options were outstanding as at December 31, 2024:

Outstanding #	Exercisable #	Weighted average exercise price $	Expiry date	Weighted average remaining life (in years)
3,850,000	1,925,000	0.45	May 30, 2029	4.41
25,000	25,000	0.45	May 30, 2029	4.41
250,000	-	0.425	September 6, 2029	4.68
475,000	-	0.50	October 17, 2029	4.80
400,000	-	0.385	December 24, 2029	4.98
5,000,000	**1,950,000**	**0.45**		**4.50**

(Expressed in Canadian Dollars)

Share-based compensation expense during the period ended December 31, 2024 was$441,098 (year ended August 31, 2024 - $378,856).

The weighted average fair value of stock options granted during the period ended December 31, 2024 of $0.352 (year ended August 31, 2024 - $0.212) was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2024	August 31, 2024
Stock price	$0.46	$0.30
Exercise price	$0.44	$0.45
Risk-free interest rate	2.94%	3.76%
Expected life	5.0 years	5.0 years
Expected volatility	100%	100%
Expected dividends	Nil	Nil

Expected volatility is based on peer companies' volatilities.

f) Warrants

The activity of the warrants during the period ended December 31, 2024 and the year ended August 31, is as follows:

	Number of warrants	Weighted average exercise price
		$
Balance, August 31, 2023	4,650,000	0.10
Issued	8,877,369	0.60
Exercised	(150,000)	0.10
Balance, August 31, 2024 and December 31, 2024	**13,377,369**	**0.43**

The following warrants were outstanding as at December 31, 2024:

Outstanding #	Weighted average exercise price $	Expiry date	Weighted average remaining life (in years)
4,500,000	0.10	June 10, 2025	0.44
8,877,369	0.60	May 3, 2027	2.34
13,377,369	**0.43**		**1.70**

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

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. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period ended December 31, 2024.

8. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash and cash equivalents as FVTPL, and term deposit, reclamation bond and accounts payable and accrued liabilities as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at December 31, 2024, the Company believes that the carrying values of term deposit, reclamation bond and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations. The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk
Credit risk arises from cash and cash equivalents and term deposit held with banks and financial

(Expressed in Canadian Dollars)

institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash and cash equivalents and term deposit are held with reputable Canadian banks and financial institutions. The credit risk related to cash and cash equivalents and term deposit is considered minimal.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited, because the Company's term deposit has a fixed rate of interest.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. At December 31, 2024, the Company had $4,284,313 of cash and cash equivalents (August 31, 2024 - $6,134,865), with which to settle $259,728 of current liabilities (August 31, 2024 - $447,133). The Company's accounts payable and accrued liabilities are due on normal trade terms. The Company's approach to and management of liquidity risk has not changed from that of the prior year.

At December 31, 2024, the contractual maturities of the Company's obligations are as follows:

	Within one year	**One to five years**	**More than five years**
Accounts payable and accrued liabilities	228,869	-	-
Lease obligation	33,247	30,997	-

9. INCOME TAXES

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

	For the period ended December 31, 2024	**For the year ended August 31, 2024**
Statutory tax rate	**27%**	**27%**
	$	**$**
Loss before income taxes	(1,423,762)	(1,987,010)
Expected income tax recovery at statutory rate	(384,000)	(536,000)
Permanent difference	120,000	103,000
Change in unrecognized tax benefits	264,000	433,000
Income tax recovery	**-**	**-**

(Expressed in Canadian Dollars)

Recognized deferred tax assets (liabilities) at December 31, 2024 and August 31, 2024 are as follows:

	December 31, 2024 $	August 31, 2024 $
Right of use asset	(15,000)	-
Lease liability	15,000	-
Deferred tax assets (liabilities)	-	-

The significant components of the Company's deductible temporary differences and the unused tax losses that have not been included in the statement of financial position are as follows:

	December 31, 2024 $	Expiry Date	August 31, 2024 $
Exploration and evaluation assets and other	298,000	None	293,000
Non-capital loss carry forward	2,949,000	2039-2044	1,926,000
Share issuance cost	504,000	2025-2029	552,000
Unrecognized deductible temporary differences	**3,751,000**		**2,771,000**

As at December 31, 2024, the Company had unrecognized deferred tax liability of approximately $2,076,000 (August 31, 2024 – $2,076,000) due to temporary differences arising from the initial recognition of the acquisition of all of the issued and outstanding shares of Lapie Mining Inc.

10. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the board of directors and corporate officers. The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel. The Company incurred charges to directors and officers, or to companies associated with these individuals during the period ended December 31, 2024 and year ended August 31, 2024 as follows:

	For the period ended December 31, 2024 $	For the year ended August 31, 2024 $
Capitalized exploration and evaluation costs	12,200	-
Professional fees	61,291	26,568
Consulting fees	-	8,967
Director fees	53,527	65,000
Management fees	80,000	61,846
Salaries and wages	113,333	70,897
Share-based compensation	366,995	318,400
	687,346	551,678

(Expressed in Canadian Dollars)

Accounts payable and accrued liabilities at December 31, 2024 include $23,866 (August 31, 2024 - $14,287) due to related parties. The balances owing are non-interest bearing, unsecured and due on demand. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

11. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that affect recognized assets or liabilities but that do not result in cash receipts or cash payments are excluded from the consolidated statements of cash flows. The following transactions were excluded from the consolidated statement of cash flows:

	For the period ended December 31, 2024 $	**For the year ended August 31, 2024 $**
Interest paid	-	-
Interest received	52,965	134,370
Non-cash investing and financing transactions		
Fair value of shares issued for acquisition of Lapie	-	5,311,000
Fair value transferred from reserves on exercise of options	4,235	23,291
Accounts payable and accrued liabilities included in exploration and evaluation assets	57,132	293,579
Recognition of the right of use asset and lease liability	60,213	-

12. SEGMENTED INFORMATION

The Company operates in one segment being the mineral exploration and development activities. All of the Company's assets are located in Canada.

13. SUBSEQUENT EVENTS

On January 6, 2025, the Company granted 100,000 stock options to an officer with an exercise price of $0.50 per share and an expiry date of January 6, 2030. The options will vest 50% on July 6, 2025 and 50% on January 6, 2026.

On January 24, 2025, the Company granted 400,000 stock options to an officer with an exercise price of $0.61 per share and an expiry date of January 24, 2030. The options will vest 50% on July 24, 2025 and 50% on January 24, 2026.

On February 11, 2025, the Company granted 400,000 stock options to a director with an exercise price of $0.66 per share and an expiry date of February 11, 2030. The options will vest 50% on August 11, 2025 and 50% on February 11, 2026.

On February 19, 2025, the Company granted a total of 685,000 stock options to employees with an exercise price of $0.59 per share and an expiry date of February 19, 2030. The options will vest 50% on August 19, 2025 and 50% on February 19, 2026.

On April 9, 2025, the Company completed a "best efforts" agency based private placement of 20,409,090 units of the Company (the "Units") at a price of $0.55 per Unit for aggregate gross proceeds of $11,225,000 (the "Offering"). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.80 until April 9, 2028.

The Offering was co-led by Cormark Securities Inc. and Canaccord Genuity Corp. (together, the "Agents"). The Agents received a cash commission equal to 6% of the gross proceeds of the Offering, other than with respect to Units issued to purchasers identified by the Company (the "President's List") on which the cash commission was generally reduced to 3% of the gross proceeds and, in some cases, further reduced or waived entirely, or increased to up to 6% as agreed by the Company and the Agents. As additional consideration for their services, the Agents were also issued compensation warrants (the "Compensation Warrants") equal to 6% of the number of Units issued pursuant to the Offering, other than with respect to Units issued to purchasers on the President's List for which no Compensation Warrants were issued. Each Compensation Warrant entitles the holder thereof to subscribe for one common share of the Company at a price of $0.55 until April 9, 2028.