CASSIAR GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

EXPRESSED IN CANADIAN DOLLARS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cassiar Gold Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cassiar Gold Corp. (the "Company"), which comprise the statement of financial position as at September 30, 2024, and the statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Company for the year ended September 30, 2023 were audited by another auditor who expressed an unqualified opinion on those statements on January 24, 2024.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has incurred a net loss and had negative cash flows relating to operating activities. As stated in Note 2, the Company's ability to continue as a going concern is dependent on the ability of the Company to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. These matters, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on 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 consolidated financial statements of the current period. 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.

We have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of the Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3 – Critical accounting estimates, note 4 – Accounting policy for Exploration and evaluation	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

expenditures and note 9 Exploration and evaluation assets Management assesses at each reporting period whether there is an indication that the carrying value of the exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 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 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 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 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 Company 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 Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 James Roxburgh.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
January 22, 2025

CASSIAR GOLD CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note		September 30, 2024		September 30, 2023
					(Note 5)
Assets					
Current assets					
Cash and cash equivalents		$	4,935,714	$	4,499,192
Other receivables			180,045		295,488
Prepaids			230,914		282,693
			5,346,673		5,077,373
Non-current assets					
Property and equipment	6		312,734		350,745
Right-of-use assets	7		60,447		59,897
Deposits	8		1,689,776		1,468,944
Exploration and evaluation assets	9		9,079,432		8,762,800
			11,142,389		10,642,386
Total assets		$	16,489,062	$	15,719,759
Current liabilities					
Trade payable and accrued liabilities		$	903,761	$	1,827,973
Flow-through share liability	12		364,927		634,979
Short-term lease obligation	10		64,793		63,107
			1,333,481		2,526,059
Non-current liabilities					
Assets retirement obligation	11		3,235,947		2,811,990
			3,235,947		2,811,990
Shareholders' equity					
Share capital	12		55,611,384		49,952,631
Warrants	12		2,526,246		2,110,662
Shares subscribed	12		103,750		-
Contributed surplus			21,680,614		18,791,011
Deficit			(68,002,360)		(60,472,594)
			11,919,634		10,381,710
Total shareholders' equity and liabilities		$	16,489,062	$	15,719,759

NATURE OF OPERATIONS (Note 1)
GOING CONCERN (Note 2)
SUBSEQUENT EVENT (Note 18)

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

Approved by the Board of Directors:

“Marco Roque”	“Stephen Letwin”
Marco Roque. Director	Stephen Letwin, Director

CASSIAR GOLD CORP.
Consolidated Statements of Net Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Years ended September 30 2024	2023 (Note 5)
Expenses			
Consulting		$ 323,729	$ 293,155
Depreciation	6,7	128,475	134,116
Exploration and evaluation expenditure	9	5,636,012	10,304,541
Management fees		463,256	450,094
Marketing		479,565	733,582
Office and administrative		155,748	117,370
Professional Fees		254,506	233,972
Share-based compensation	12	1,204,332	1,062,712
Travel and meals		1,872	6,232
		(8,647,495)	(13,335,774)
Interest income		247,297	223,807
Flow-through share premium	12	930,630	759,311
Accretion	11	(113,324)	(68,449)
Sub-lease income		53,126	-
Net loss and comprehensive loss		$ (7,529,766)	$ (12,421,105)
Basic and diluted loss per common share		$ (0.07)	$ (0.14)
Weighted average number of common shares outstanding - basic and diluted		111,769,256	87,740,092

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

CASSIAR GOLD CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Note	Share Capital: Number of shares	Share Capital: Amount	Warrants	Share subscription	Contributed surplus	Deficit (Note 5)	Total equity (Note 5)
Balance, September 30, 2022		**81,563,103**	**$ 41,970,081**	**$ 3,758,702**	**$ -**	**$ 15,772,067**	**$ (48,051,489)**	**$ 13,449,361**
Common shares issued, net costs	12	13,496,666	8,056,045	1,148,433	-	-	-	9,204,478
Warrants exercised	12	555,275	333,165	-	-	-	-	333,165
Warrants expired	12	-	-	(2,796,473)	-	2,796,473	-	-
Stock options exercised	12	100,000	83,994	-	-	(38,994)	-	45,000
Restricted share units issued	12	665,998	446,060	-	-	(446,060)	-	-
Deferred share units issued	12	488,002	355,187	-	-	(355,187)	-	-
Share-based payments	12	-	-	-	-	1,062,712	-	1,062,712
Flow-through share discount	12	-	(1,291,901)	-	-	-	-	(1,291,901)
Net loss		-	-	-	-	-	(12,421,105)	(12,421,105)
Balance, September 30, 2023		**96,869,044**	**49,952,631**	**2,110,662**	**-**	**18,791,011**	**(60,472,594)**	**10,381,710**
Common shares issued, net costs	12	29,277,530	6,319,331	2,100,855	-	-	-	8,420,186
Warrants expired	12	-	-	(1,685,271)	-	1,685,271	-	-
Shares subscribed	12	-	-	-	103,750	-	-	103,750
Share-based payments	12	-	-	-	-	1,204,332	-	1,204,332
Flow-through share discount	12	-	(660,578)	-	-	-	-	(660,578)
Net loss		-	-	-	-	-	(7,529,766)	(7,529,766)
Balance, September 30, 2024		**126,146,574**	**$ 55,611,384**	**$ 2,526,246**	**$ 103,750**	**$ 21,680,614**	**$ (68,002,360)**	**$ 11,919,634**

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

CASSIAR GOLD CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended September 30 2024	2023 (Note 5)
Cash flows from (used in) operating activities		
Net loss for the year	$ (7,529,766)	$ (12,421,105)
Items not affecting cash:		
Depreciation	128,475	134,116
Share-based payments	1,204,332	1,062,712
Flow-through share premium	(930,630)	(759,311)
Interest on lease liability	11,731	8,288
Interest income	(247,297)	(223,807)
Accretion	113,324	68,449
Changes in non-cash working capital items:		
Other receivables	184,400	146,478
Prepaids	51,779	(89,273)
Deposits	(220,832)	(1,050,000)
Trade payables and accrued liabilities	(924,212)	(642,826)
Net cash (used in) operating activities	(8,158,696)	(13,766,279)
Cash flows from (used in) investing activities		
Investment in exploration and evaluation assets	(5,999)	-
Net cash (used in) investing activities	(5,999)	-
Cash flows from financing activities		
Interest income received	178,340	190,183
Lease payments	(101,059)	(96,877)
Proceeds from share and warrants issuance, net of cost	8,420,186	9,204,478
Shares subscrbed	103,750	-
Proceeds from options exercised	-	45,000
Proceeds from warrants exercised	-	333,165
Net cash provided by financing activities	8,601,217	9,675,949
Change in cash for the year	436,522	(4,090,330)
Cash, beginning of the year	4,499,192	8,589,522
Cash, end of the year	$ 4,935,714	$ 4,499,192

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

1. CORPORATE INFORMATION

Margaux Resources Ltd. was incorporated under the Alberta Business Corporations Act on August 5, 2009 and changed its name to Cassiar Gold Corp. (the “Company”) on September 23, 2020. The Company currently trades on the TSX Venture Exchange (“TSX-V”) and the OTCQB Venture Market under the trading symbols “GLDC” and “CGLCF” respectively. The registered address of the Company is Suite 2700, 1133 Melville Street, Vancouver, BC, V6E 4E5.

The Company is a mineral acquisition and exploration company focused on gold exploration within British Columbia.

2. GOING CONCERN

These consolidated financial statements (“Financial Statements”) have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company incurred a net loss of $7,529,766 (2023 - $12,421,105) and had negative cash flows relating to operating activities of $8,158,696 (2023 – negative cash flows of $13,766,279) for the year ended September 30, 2024. These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Company’s ability to continue as a going concern. The continuation of the Company as a going concern is dependent on the ability of the Company to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Company be unable to continue as a going concern, and these adjustments could be material. The Company intends to raise the required funds through the issuance of equity, by securing strategic partners or issuing debt.

The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

3. BASIS OF PREPARATION

(a) **Statement of compliance:** These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB") and the interpretations of the International Reporting Interpretations Committee ("IFRIC") in effect on October 1, 2022.

These consolidated financial statements for year ended September 30, 2024 were authorized for issue in accordance with the resolution of the Board of Directors on January 22, 2025.

(b) **Basis of consolidation:** These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Cassiar Gold (2020) Corp. ("Cassiar (2020))" which is incorporated in British Columbia. The Company consolidates the subsidiary on the basis that it controls the subsidiary. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated on consolidation.

(c) **Basis of measurement:** These consolidated financial statements have been prepared on the historical cost basis, with the exception of certain financial instruments which are presented at fair value.

(d) **Functional and presentation currency:** These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiary functional and presentation currency.

(e) **Use of estimates and judgments:** The preparation of consolidated financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the statement of financial position and the reported amounts of expenses during the year. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the consolidated financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Adjustments are recorded in the current year as they become known.

Critical accounting estimates

Exploration and evaluation assets
The Company conducts impairment review of exploration and evaluation expenditures and equipment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Determining whether an asset is impaired requires an estimation on the recoverable amount.

Share-based payments
The factors affecting share-based payments include estimates of when stock options might be exercised, forfeitures and the stock price volatility. The timing for exercise of options is out of the Company' s control and will depend, among other things, upon a variety of factors including the market value of Company shares, whether a non-trading restriction has been imposed by the Company, and financial objectives of the holders of the options. The Company has used historical data to determine volatility in accordance with Black-Scholes modeling, however future volatility is inherently uncertain.

Asset retirement obligation (the "ARO")
Provision on the retirement of the exploration and evaluation assets (the "E&E assets") and site restoration is based on many assumptions and judgments: future estimated costs, expected amounts of cash flows to discharge the obligation, timing of such cash flows and the prevalent market discount rate. Any changes to the assumptions will result in an adjustment to the provision which affects the Company's liabilities and operating results.

3. BASIS OF PREPARATION (continued)

Critical accounting judgments

Exploration and evaluation assets
The Company applies significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the right to explore the specific area has or will expire, that further exploration and evaluation plans have changed, or whether development of a specific area is unlikely to recover existing exploration and evaluation property costs. If any of these indicators are present, management is required to perform an assessment of the recoverable amount of exploration and evaluation properties.

Cash Generating Unit (the "CGU") Determination
An impairment test requires the Company to determine the recoverable amount of an asset or group of assets. For non-current assets, including property and equipment and exploration and evaluation assets, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets are grouped together into a CGU for impairment testing purposes. A CGU for impairment testing is typically considered to be an individual mine site or a development project.

The Company has determined that it has two CGUs based on the projects as noted in Note 9.

Going concern
Going concern presentation of the financial statements assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. Refer to Note 2.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

(a) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash and short term GIC held with banks and financial institutions.

(b) Financial instruments:

The Company recognizes financial assets and financial liabilities, including derivatives, on the statements of financial position when the Company becomes a party to the contract. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or when the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are removed from the consolidated financial statements when the liability is extinguished either through settlement of, or release from, the obligation of the underlying liability.

Financial assets, financial liabilities and derivatives are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instrument's classification, as described below.

Amortized cost
A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of the cash flows; and all contractual cash flows represent only principal and interest on that principal. All financial liabilities are measured at amortized cost using the effective interest method except for liabilities incurred for the purposes of selling or repurchasing in the short-term liabilities, if they are held-for trading and those that meet the definition of a derivative.

Cash and cash equivalents, other receivables, trade payable and accrued liabilities are classified as assets or liabilities measures at amortized cost.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) Financial instruments: (continued)

Fair value through other comprehensive income ("FVTOCI")
A financial asset shall be measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payment of Principal and Interest ("SPPI") on the principal amount outstanding.

Fair value through profit or loss ("FVTPL")
All financial assets that do not meet the definition of being measured at amortized cost or FVTOCI are measured at FVTPL, this includes all derivative financial assets. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. For financial assets and liabilities, the Company may make an irrevocable election to designate an asset at FVTPL. If the election is made it is irrevocable, meaning that asset, liability, or group of financial instruments must be recorded at FVTPL until that asset, liability or group of financial instruments are derecognized.

Financial assets and liabilities are offset and the net amount is reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(c) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with staking and claim maintenance and the acquisition of exploration and evaluation assets through a business combination or asset acquisition which are recognized as assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statement of comprehensive loss.

Capitalized costs are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where they are considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Property and equipment:

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced asset is derecognized. All other repairs and maintenance are charged to the consolidated statements of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the consolidated statements of comprehensive loss.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of plant and equipment are as follows:

Class of plant and equipment	Amortization rate
Equipment	20%
Computer equipment	45%
Vehicles	25%
Building	10%
Land	0%

(e) Impairment of long-lived assets:

The Company assesses at each reporting date whether there are indications of impairment of the CGU it has identified. If indications of impairment exist, the Company estimates the asset's recoverable amount, which is the higher of an asset's or CGU's fair value less costs of disposal and its value-in-use.

Fair value less costs of disposal represent the value for which an asset could be sold in an arm's length transaction and is presented as a function of the future cash flows of the proved and probable reserves. Value in use is estimated as the discounted present value of the future cash flows expected to arise from the continued use of the asset or CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and the impairment loss is charged to the consolidated statements of net loss and comprehensive loss.

For impairment losses recognized in prior years, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. Previously recognized impairment loss reversals are limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment reversals are recognized as an impairment recovery in the statement of net loss and comprehensive loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) Asset Retirement Obligation ("ARO"):

Restoration provision is made for future obligations to retire long-lived assets which include dismantling, removing facilities and restoring the affected areas to normal operations. The provision for future restoration costs is the best estimate of the present value of the cash flows required to settle the restoration obligation at the reporting date. Upon initial recognition of the ARO liability, the amount is capitalized to the carrying value of the related asset and amortized as an expense over the economic life of the asset. The ARO liability increases in following periods as the accretion expenses are accounted for. The ARO is adjusted annually for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows, estimated inflation rate and the discount rate.

(g) Taxes:

Tax expense comprises current and deferred tax. Tax expense 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 is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized 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. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Loss per share:

Basic loss per share is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of Common Shares outstanding during the year. The Company uses the treasury stock method to determine the dilutive effect of issued instruments such as options and warrants. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase Common Shares at the average market price for the year. These instruments are not included in the per share calculation if the effect of their inclusion is antidilutive.

(i) Flow-through shares:

Expenditure deductions for income tax purposes related to exploratory activities funded by flow-through equity instruments are renounced to investors in accordance with income tax legislation. The proceeds from issuance are allocated between the offering of shares and the transfer of tax deductions. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. The warrant value is first calculated and removed from the proceeds with the resulting amount being used to determine if a premium exists. A flow through share liability is recognized for this difference. The liability is reversed as eligible exploration expenditures are incurred and a flow through share premium is recognized as income at that time.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Share-based payment transactions:

The Company operates an equity-settled compensation plan under which it receives services from employees, directors, officers, and contractors as consideration for equity instruments of the Company.

The Company uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards at the grant date. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

When recognizing the fair value of each tranche over its respective vesting period, the Company incorporates an estimate of the number of options expected to vest and revises that estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates.

No expense is recognized for awards that do not ultimately vest, except for equity-settled awards where vesting is conditional upon a market or non-vesting condition which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. Upon the exercise of options, consideration received together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

(k) Leases:

The Company assesses at inception of a contract, whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the customer has the following through the period of use:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset is comprised of the initial amount of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred by the Company, and an estimate of the costs to be incurred by the Company in dismantling and removing the underlying asset and restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Company measures right-of-use assets related to property and equipment by applying the cost model, whereby the right-of-use asset is measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or the end of the useful life of the right-of-use asset. The determination of the depreciation period is dependent on whether the Company expects that the ownership of the underlying asset will transfer to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) Share capital:

The Company records proceeds from share issuances net of share issue costs. Proceeds, and issue costs, from unit placements are allocated between shares and warrants issued according to their residual value. The fair value of the warrant is determined using the Black-Scholes option pricing model. The residual value is attributed to the value of the shares. The residual value of the share component and warrant is credited to share capital. Upon exercise of the warrant, consideration paid by the warrant holder together with the amount previously recognized is recorded as an increase to share capital. If the warrant expires unexercised, the value is reclassified to contributed surplus within equity. Warrants, issued as part of private placement units, that have their term of expiries extended, are not subsequently revalued. The Company may modify the terms of warrants originally granted. When modifications exist, the Company will maintain the original fair value of the warrant.

(m) Share Unit Plan:

The Company has established an equity compensation plan (the “Share Unit Plan”) providing for the issuance of restricted share units (“RSUs”) and deferred share units ("DSUs"), which provides for the grant of RSUs to eligible employees and DSUs to eligible directors of the Company. The Share Unit Plan provides for settlement to eligible employees and directors through cash payment or the issuance of Common Shares. The form of settlement is at the option of the Company. The Company does not intend to make cash payments and there is no history of the Company making cash payments under the Share Unit Plan and, as such, the RSU’s and DSUs are accounted for within shareholders’ equity. The Company measures the cost of equity-settled share-based transactions by reference to the fair value of the equity instruments at the date at which they are granted and is recorded in the statement of comprehensive loss over the vesting period.

These Common Shares would be issued from the same 10% rolling pool as the Common Shares issued under the Company’s Share Option Plan. As these RSUs and DSUs are expected to be settled with equity, an amount equal to the stock-based compensation expense is initially credited to contributed surplus and transferred to share capital if and when the deferred share unit is redeemed.

(Expressed in Canadian Dollars)

5. CHANGE IN ACCOUNTING POLICY

The Company is applying a change to its accounting policy relating to the treatment of exploration and evaluation assets. The Company had previously capitalized all its exploration and evaluation amounts including both the acquisition costs and exploration costs. The Company has adopted the policy, as outlined in Note 4 – Material Accounting Policy Information above, to expense the exploration costs. The Company had previously capitalized these amounts on the statement of financial position.

The following summarizes the impact of the change in accounting policy on the financial statement line items impacted in these consolidated financial statements:

Consolidated Statement of Financial Position as at September 30, 2023:

		As reported		Adjustment		Restated balance
Exploration and evaluation assets	$	39,343,082	$	(30,580,282)	$	8,762,800
Total assets	$	46,300,041	$	(30,580,282)	$	15,719,759
Deficit	$	(29,892,312)	$	(30,580,282)	$	(60,472,594)
Shareholders' equity	$	40,961,992	$	(30,580,282)	$	10,381,710
Total liabilities and shareholders' equity	$	46,300,041	$	(30,580,282)	$	15,719,759

Consolidated Statement of Net Loss and Comprehensive Loss for the year ended September 30, 2023:

		As reported		Adjustment		Restated balance
Exploration and evaluation expense	$	-	$	10,304,541	$	10,304,541
Share-based compensation	$	686,129	$	376,583	$	1,062,712
Net loss and comprehensive loss	$	(1,739,981)	$	(10,681,124)	$	(12,421,105)

Consolidated Statement of Cash Flow for the year ended September 30, 2023:

		As reported		Adjustment		Restated balance
Net loss for the year	$	(1,739,981)	$	(10,681,124)	$	(12,421,105)
Cash used in operating activities	$	(3,461,738)	$	(10,304,541)	$	(13,766,279)
Cash used in investing activities	$	10,304,541	$	(10,304,541)	$	-

Consolidated Statement of Change in Shareholders' Equity for the year ended September 30, 2023:

		As reported		Adjustment		Restated balance
Deficit, as at September 30, 2022	$	(28,152,331)	$	(19,899,158)	$	(48,051,489)
Total shareholders' equity, as at September 30, 2022	$	33,348,519	$	(19,899,158)	$	13,449,361
Net loss for the year ended September 30, 2023	$	(1,739,981)	$	(10,681,124)	$	(12,421,105)
Deficit, as at September 30, 2023	$	(29,892,312)	$	(30,580,282)	$	(60,472,594)
Total shareholders' equity, as at September 30, 2023	$	40,961,992	$	(30,580,282)	$	10,381,710

(Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT

	Land	Buildings	Computers, equipment and vehicles	Total
Cost				
As at September 30, 2022	$ 28,993	$ 380,706	$ 260,286	$ 669,985
Additions during the year	-	-	-	-
As at September 30, 2023	28,993	380,706	260,286	669,985
Additions during the year	-	-		-
As at September 30, 2024	$ 28,993	$ 380,706	$ 260,286	$ 669,985
Accumulated depreciation				
As at September 30, 2022	$ -	$ 72,335	$ 202,634	$ 274,969
Depreciation for the year	-	30,837	13,434	44,271
As at September 30, 2023	-	103,172	216,068	319,240
Depreciation for the year	-	27,753	10,258	38,011
As at September 30, 2024	$ -	$ 130,925	$ 226,326	$ 357,251
Net book value				
As at September 30, 2023	**$ 28,993**	**$ 277,534**	**$ 44,218**	**$ 350,745**
As at September 30, 2024	**$ 28,993**	**$ 249,781**	**$ 33,960**	**$ 312,734**

7. RIGHT-OF-USE ASSETS

	ROU
Cost	
As at September 30, 2022	$ 179,691
Additions during the year	-
As at September 30, 2023	179,691
Lease modification measurement	91,014
As at September 30, 2024	$ 270,705
Accumulated amortization	
As at September 30, 2022	$ 29,949
Amortization for the year	89,845
As at September 30, 2023	119,794
Amortization for the year	90,464
As at September 30, 2024	$ 210,258
Net book value	
As at September 30, 2023	**$ 59,897**
As at September 30, 2024	**$ 60,447**

The Company amended lease agreement of the Company's office on January 4, 2024, to extend the lease term by 1 year with the same price. As a result, the Company remeasured the lease liability and right-of-use assets and recognized $91,014 additional right-of-use assets for the lease amendment agreement.

(Expressed in Canadian Dollars)

8. DEPOSITS

The Company's deposits include reclamation bonds and cash deposit for permits and license with banks in Canada and Government of Canada. As at September 30, 2024, the Company had $1,689,776 (September 30, 2023 - $1,468,944) of reclamation bonds and cash deposit with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations.

9. EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
Exploration and evaluation assets			
Acquisition costs			
As of September 30, 2022	$ 7,269,517	$ 1,008,798	$ 8,278,315
Change in estimate of asset retirement obligation	484,485	-	484,485
As of September 30, 2023	7,754,002	1,008,798	8,762,800
Acquisition of mining claims	-	5,999	5,999
Change in estimate of asset retirement obligation	310,633	-	310,633
As of September 30, 2024	$ 8,064,635	$ 1,014,797	$ 9,079,432
Mineral exploration expenses for the year ended September 30, 2023			
Assaying	$ 1,391,203	$ -	$ 1,391,203
Camp costs & travel	1,475,287	-	1,475,287
Consulting & Reporting	248,788	20,890	269,678
Drilling	4,048,429	-	4,048,429
First Nations, Permitting, ESG, Environment	632,607	-	632,607
Geology	96,874	-	96,874
Mineral & land taxes	22,294	-	22,294
Others	338,842	-	338,842
Personnel	1,721,757	-	1,721,757
Reclamation	307,570	-	307,570
	$ 10,283,651	$ 20,890	$ 10,304,541
Mineral exploration expenses for the year ended September 30, 2024			
Assaying	$ 731,392	$ -	$ 731,392
Camp costs & travel	1,159,717	-	1,159,717
Consulting & Reporting	99,237	-	99,237
Drilling	1,661,243	-	1,661,243
First Nations, Permitting, ESG, Environment	228,575	-	228,575
Geology	116,846	-	116,846
Mineral & land taxes	14,880	12,925	27,805
Others	369,563	-	369,563
Personnel	1,185,736	-	1,185,736
Reclamation	55,898	-	55,898
	$ 5,623,087	$ 12,925	$ 5,636,012

9. EXPLORATION AND EVALUATION ASSETS (continued)

Cassiar Gold Project

On March 25, 2019, the Company entered into an Option Agreement (the “Cassiar Gold Option Agreement”) with Wildsky Resources Inc. (“Wildsky”) for an option to acquire a 100% interest in the Cassiar Gold project (the “Cassiar Gold Project”) by way of an all-share agreement. In order to exercise the option, the Company had to issue 11,640,000 Common Shares over 18 months. Pursuant to the Cassiar Gold Option Agreement the Company must also undertake exploration on the Cassiar Gold property and had to satisfy certain other conditions as follows:

(a) Cassiar will expend at least $400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;

(b) Six months after the transfer of the Common Shares, Wildsky will have the right to appoint one member to the board of directors of Cassiar;

(c) Twelve months after the transfer of the Common Shares, Wildsky will have the right to appoint an additional person (for a total of two board members) to the board of directors of Cassiar;

(d) Twelve months after the transfer of the Common Shares, Wildsky will have the right to appoint one person to the senior management team of Cassiar, on terms and conditions to be agreed upon by Cassiar and Wildsky, acting reasonably; and,

(e) Wildsky being granted a 30% net profit interest on all minerals processed from Cassiar's tailings pond located on the Cassiar Gold Project, after capital payout of up to $500,000.

During the year ended September 30, 2021, the Company satisfied all the requirements outstanding to Wildsky and the 100% interest in the Cassiar Gold Project was fully acquired by the Company. The deemed value of the exercise of the option was $3,259,200 in Common Shares. Liabilities assumed by the Company were $2,666,584 on acquisition and related to asset retirement obligations. As at September 30, 2024, liabilities assumed by the Company were $3,235,947 based on recent reclamation cost estimation (Note 11).

Sheep Creek Gold District Project

The Sheep Creek Project consists of the Bayonne and Sheep Creek properties (collectively the “Sheep Creek Project”).

On December 23, 2016, the Company entered into an option agreement with Yellowstone Resources Ltd. (“Yellowstone”) for the acquisition of 100% of the Sheep Creek Project, located in Salmo, British Columbia (the “Bayonne and Sheep Creek Option Agreement”).

Under the terms of the Bayonne and Sheep Creek Option Agreement and as amended on February 10, 2020, July 10, 2020, and February 15, 2021, the Company had the exclusive option to acquire:

- the Bayonne property, by making payments to Yellowstone of an aggregate $154,000 cash and aggregate issuance of 182,727 shares, paid in several installments over three years. The Company has paid in full these amounts during the year ended September 30, 2022.
- the Sheep Creek property by making payments to Yellowstone of an aggregate $436,000 cash and aggregate issuance of 150,000 shares and 242,424 deferred payment shares, paid in several installments over five years.

During the year ended September 30, 2022 the Company paid $100,000 in cash and issued 90,000 shares to satisfy the final payments under the Bayonne and Sheep Creek Option Agreement and acquired a 100% interest in the Sheep Creek Project.

(Expressed in Canadian Dollars)

10. LEASE OBLIGATION

		Lease obligation
Carrying value		
As at September 30, 2022	$	151,696
Lease addition		-
Accretion of lease liability		8,288
Reayment of principal and interest		(96,877)
As at September 30, 2023		63,107
Lease addition		91,014
Accretion of lease liability		11,731
Reayment of principal and interest		(101,059)
As at September 30, 2024	$	64,793

Short term lease liability	$	64,793
Long term lease liability	$	-

The Company's lease relates to the corporation's office. A discount rate of 8% was used to determine the present value of the lease obligations. The Company amended the lease agreement on January 4, 2024, to extend the lease term by 1 year with the same price. As a result, the Company remeasured the lease liability and recognized $91,014 additional lease liability for the lease amendment agreement. A discount rate of 14% was used to determine the present value of the lease obligations on remeasurement date.

11. ASSET RETIREMENT OBLIGATION ("ARO")

The Company has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Gold Project including dismantling, remediation, and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

		ARO
As at September 30, 2022	$	2,259,056
Accretion expense		68,449
Change in estimate		484,485
As at September 30, 2023		2,811,990
Accretion expense		113,324
Change in estimate		310,633
As at September 30, 2024	$	3,235,947

The total discounted cash flow estimated to settle the obligations as at September 30, 2024 was $3,235,947 (September 30, 2023 – $2,811,990) which was based on the recent reclamation cost estimation, and adjusted for inflation at the rate of 2.57% per annum and then discounted at a risk free rate of 2.95%. A total of $3,235,947 discounted reclamation costs is expected to be incurred in 2034.

As at September 30, 2024, the Company had $1,689,776 (September 30, 2023 - $1,468,944) of reclamation bonds and cash deposit with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations (Note 8).

12. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Company.

(b) Common shares issuance and share subscribed

<u>During the year ended September 30, 2024:</u>

On December 12, 2023, the Company closed a non-brokered private placement by issuing 6,005,500 non-flow-through units ("Units") at a price of $0.25 per Unit for gross proceeds of $1,501,375. Each Unit consists of one common share of the Company and one warrant. The Company also issued 1,420,011 flow-through units ("FT Units") at a price of $0.35 per FT Unit for gross proceeds of $497,004. Each FT Unit consists of one common share of the Company issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) and one warrant. Each warrant is exercisable by the holder to acquire one common share at a price of $0.50 for a period of 24 months from the date of issuance. A fair value of $837,879 has been attributed to the warrants using the Black-Scholes option pricing model. In connection with the non-brokered private placement, $79,553 finders' fees were paid in cash and 264,930 finders' warrants were issued. Each finder's warrant is exercisable to acquire one common share at a price of $0.50 for a period of 24 months from the date of issuance.

On May 3, 2024, the Company closed a non-brokered private placement by issuing 10,832,735 non-flow-through units ("Units") at a price of $0.25 per Unit for gross proceeds of $2,708,184. Each Unit consists of one common share of the Company and one warrant. The Company also issued 1,769,284 flow-through units ("FT Units") at a price of $0.35 per FT Unit for gross proceeds of $619,249. The Company also issued 4,000,000 charity flow-through units ("CFT Units") at a price of $0.37 per CFT Unit for gross proceeds of $1,480,000 and 5,250,000 CFT Units at a price of $0.3825 per CFT Unit for gross proceeds of $2,008,125. Each FT Unit and CFT Unit consists of one common share of the Company issued on a "CEE flow-through" basis pursuant to the *Income Tax Act* (Canada) and one warrant. Each warrant is exercisable by the holder to acquire one common share at a price of $0.50 for a period of 24 months from the date of issuance. A fair value of $1,262,976 has been attributed to the warrants using the Black-Scholes option pricing model. In connection with the non-brokered private placement, $224,245 finders' fees were paid in cash and 918,540 finders' warrants were issued. Each finder's warrant is exercisable to acquire one common share at a price of $0.50 for a period of 24 months from the date of issuance.

In September 2024, the Company received $103,750 for a non-brokered private placement completed in October 2024 (Note 18).

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(b) Common shares issuance and share subscribed (continued)

During the year ended September 30, 2023:

On May 4, 2023, the Company closed a bought deal offering of flow-through units (“FT Units”) of the Company by issuing 12,760,000 FT Units at a price of $0.75 per FT Unit for gross proceeds of $9,570,000 (the “Bought Deal Offering”). Concurrent with the Bought Deal Offering, the Company closed a non-brokered private placement of 466,667 FT Units at a purchase price of $0.75 per FT Unit for total proceeds of $350,000. Each FT Unit consists of one common share of the Company issued on a “CEE flow-through” basis pursuant to the *Income Tax Act* (Canada) and one-half of one warrant. Each whole warrant is exercisable by the holder to acquire one common share at a price of $0.70 for a period of 24 months from the date of issuance. A fair values of $1,129,457 has been attributed to the warrants using the Black-Scholes option pricing model. The Bought Deal Offering was completed by way of short form prospectus. In connection with the Bought Deal Offering, the underwriters were paid a cash commission of $573,525 and were issued 764,700 non-transferable brokers warrants. Each broker warrant is exercisable to acquire one common share at an exercise price of $0.50 per broker warrant share for a period of 24 months from the date of issuance.

On June 5, 2023, the Company closed on a non-brokered private placement of 269,999 flow-through units (“FT Units”) at a purchase price of $0.75 per FT Unit for total proceeds of $202,500. Each FT Unit consists of one common share of the Company issued on a "CEE flow-through" basis and one-half of one Warrant. Each whole warrant is exercisable by the holder to acquire one common share at an exercise price of $0.70 for a period of 24 months from the date of issuance. A fair value of $18,976 has been attributed to the warrants using the Black-Scholes option pricing model.

The Company issued 555,275 shares for finders’ warrants exercised for proceeds of $333,165.

The Company issued 100,000 shares for options exercised by investors for proceeds of $45,000.

The Company issued 665,998 shares to settle RSUs at a market price of $0.335 and issued 488,002 shares to settle DSUs at a market price of $0.335.

(c) Warrants

The continuity of warrants for the year ended September 30, 2024 is as follows:

Expiry date	Exercise price	September 30, 2023	Issued	Exercised	Expired	September 30, 2024
June 8, 2024	$1.05	4,173,071	-	-	(4,173,071)	-
July 28, 2024	$0.90	581,783	-	-	(581,783)	-
August 4, 2024	$0.90	1,370,285	-	-	(1,370,285)	-
May 4, 2025	$0.70	6,613,335	-	-	-	6,613,335
June 2, 2025	$0.70	135,001	-	-	-	135,001
December 12, 2025	$0.50	-	7,425,511	-	-	7,425,511
May 3, 2026	$0.50	-	21,852,019	-	-	21,852,019
Outstanding		12,873,475	29,277,530	-	(6,125,139)	36,025,866
Weighted average exercise price		$0.84	$0.50	$Nil	$1.00	$0.54

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(c) Warrants (continued)

The continuity of warrants for the year ended September 30, 2023 is as follows:

Expiry date	Exercise price	September 30, 2022	Issued	Exercised	Expired	September 30, 2023
October 30, 2022	$0.90	4,322,143	-	-	(4,322,143)	-
August 13, 2023	$0.675	4,916,666	-	-	(4,916,666)	-
June 8, 2024	$1.05	4,173,071	-	-	-	4,173,071
July 28, 2024	$0.90	581,783	-	-	-	581,783
August 4, 2024	$0.90	1,370,285	-	-	-	1,370,285
May 4, 2025	$0.70	-	6,613,335	-	-	6,613,335
June 2, 2025	$0.70	-	135,001	-	-	135,001
Outstanding		15,363,948	6,748,336	-	(9,238,809)	12,873,475
Weighted average exercise price		$0.87	$0.70	$Nil	$0.78	$0.84

As at September 30, 2024, the weighted average contractual remaining life of warrants is 1.32 years (September 30, 2023 – 1.19 years).

The weighted average assumptions used to estimate the fair value of warrants for the years ended September 30, 2024 and 2023 were as follows:

	September 30, 2024	September 30, 2023
Risk-free interest rate	3.91% - 4.27%	4.22%
Expected life	2 years	2 years
Expected volatility	73% - 75%	79% - 81%
Expected dividend yield	nil	nil

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(d) Finders' warrants

The continuity of finders' warrants for the year ended September 30, 2024 is as follows:

Expiry date	Exercise price	September 30, 2023	Issued	Exercised	Expired	September 30, 2024
June 8, 2024	$1.00	490,354	-	-	(490,354)	-
May 4, 2025	$0.50	764,700	-	-	-	764,700
December 12, 2025	$0.50	-	264,930	-	-	264,930
May 3, 2026	$0.50	-	918,540	-	-	918,540
Outstanding		1,255,054	1,183,470	-	(490,354)	1,948,170
Weighted average exercise price		$0.70	$0.50	$Nil	$1.00	$0.50

The continuity of finders' warrants for the year ended September 30, 2023 is as follows:

Expiry date	Exercise price	September 30, 2022	Issued	Exercised	Expired	September 30, 2023
October 30, 2022	$0.90	17,399	-	-	(17,399)	-
October 30, 2022	$0.60	561,365	-	(555,275)	(6,090)	-
October 30, 2022	$0.70	224,816	-	-	(224,816)	-
August 13, 2023	$0.675	256,083	-	-	(256,083)	-
June 8, 2024	$1.00	490,354	-	-	-	490,354
May 3, 2025	$0.50	-	764,700	-	-	764,700
Outstanding		1,550,017	764,700	(555,275)	(504,388)	1,255,054
Weighted average exercise price		$0.65	$0.50	$0.60	$0.65	$0.70

As at September 30, 2024, the weighted average contractual remaining life of finders' warrants is 1.14 years (September 30, 2023 – 0.27 years).

(e) Flow-through shares

During the year ended September 30, 2024, the Company raised $4,604,378 (2023 - $10,122,500) on a CEE flow-through share basis and was required to incur a net total of $4,604,378 (2023 - $10,122,500) of qualifying expenditures to renounce the tax deductions to investors.

As at September 30, 2024, the Company still needed to incur an additional $2,269,060 (September 30, 2023 - $4,893,073) to meet its flow through share commitment. A flow-through share premium liability of $364,927 (September 30, 2023 - $634,979) was recognized as the Company has not incurred sufficient qualifying expenditures to offset the liability.

The flow-through share premium of $930,630 (2023 - $759,311) was recognized during the year ended September 30, 2024.

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(f) Stock option plan

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

All options expire in five years and vest based on terms and conditions set out in the stock option agreements. Stock option transactions and the number of stock options for the year ended September 30, 2024 are summarized as follows:

Expiry date		Exercise price	September 30, 2023	Granted	Exercised	Expired / cancelled	September 30, 2024
June 24, 2024		$0.50	485,000	-	-	(485,000)	-
August 28, 2025		$0.75	1,150,000	-	-	-	1,150,000
March 22, 2026		$0.60	1,710,668	-	-	(20,000)	1,690,668
November 15, 2026		$0.79	470,000	-	-	-	470,000
September 13, 2027	(a)	$0.66	1,930,000	-	-	(40,000)	1,890,000
September 22, 2028		$0.345	1,400,000	-	-	(60,000)	1,340,000
May 3, 2029		$0.28	-	1,255,000	-	(25,000)	1,230,000
Options outstanding			7,145,668	1,255,000	-	(630,000)	7,770,668
Options exercisable			4,935,659	-	-	-	5,870,668
Weighted average exercise price			$0.60	$0.28	$Nil	$0.48	$0.55

(a) Subsequent to year-end, 20,000 options expired unexercised.

Stock option transactions and the number of stock options for the year ended September 30, 2023 are summarized as follows:

Expiry date	Exercise price	September 30, 2022	Granted	Exercised	Expired / cancelled	September 30, 2023
June 12, 2023	$1.25	198,000			(198,000)	-
June 24, 2024	$0.50	485,000	-	-	-	485,000
August 28, 2025	$0.75	1,150,000	-	-	-	1,150,000
March 22, 2026	$0.60	1,710,668	-	-	-	1,710,668
August 31, 2026	$0.45	150,000		(100,000)	(50,000)	-
November 15, 2026	$0.79	470,000	-	-	-	470,000
September 13, 2027	$0.66	1,930,000	-	-	-	1,930,000
September 22, 2028	$0.345		1,400,000	-	-	1,400,000
Options outstanding		6,093,668	1,400,000	(100,000)	(248,000)	7,145,668
Options exercisable		3,912,325	-	-	-	4,935,659
Weighted average exercise price		$0.67	$0.345	$0.45	$1.16	$0.60

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(f) Stock option plan (continued)

As at September 30, 2024, the weighted average contractual remaining life of options is 2.72 years (2023 – 3.20 years).

The weighted average assumptions used to estimate the fair value of stock options for the years ended September 30, 2024 and 2023 were as follows:

	September 30, 2024	September 30, 2023
Risk-free interest rate	3.67%	4.21%
Expected life	5 years	5 years%
Expected volatility	102.00%	130.00%
Forfeiture rate	8.71%	11%
Expected dividend yield	nil	nil

The Company recognized $476,216 (2023 - $589,109) share-based payment for options vested in the year ending September 30, 2024.

(g) Share unit plan

The Company has established a deferred share unit ("DSU") and restricted share unit ("RSU") plan (the "Unit Plan"), which provides for the grant of DSUs and RSUs to eligible directors, officers, employees, advisors and consultants of the Company. The Unit Plan provides for settlement through cash payment or the issuance of common shares. The form of settlement is at the option of the Company. The Company does not intend to make cash payments and there is no history of the Company making cash payments under the Unit plan and, as such, the DSUs and RSUs are accounted for within shareholders' equity. These common shares would be issued from the same 10% rolling pool as the common shares issued under the Company's Deferred Share Unit Plan and the Company's Share Option Plan. As DSUs and RSUs are expected to be settled with equity, an amount equal to compensation expense is initially credited to contributed surplus, recognized over the term of the vesting period, and transferred to share capital if and when the units are exercised.

The Company has adopted its Share Unit Plan which received shareholder approval on March 16, 2022.

RSU transactions and the number of RSUs for the year ended September 30, 2024 are summarized as follows:

Vesting date		September 30, 2023	Granted	Vested and converted to common shares	Cancelled	September 30, 2024
November 15, 2023	(a)	50,000	-	-	-	50,000
September 13, 2024	(a)	308,002	-	-	(20,000)	288,002
September 22, 2024	(a)	695,000	-	-	(30,000)	665,000
September 22, 2025		695,000	-	-	(30,000)	665,000
May 3, 2025		-	557,500	-	(12,500)	545,000
May 3, 2026		-	557,500	-	(12,500)	545,000
RSUs outstanding		1,748,002	1,115,000	-	(105,000)	2,758,002

(a) These RSUs have vested but common shares have not been issued.

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(g) Share unit plan (continued)

RSU transactions and the number of RSUs for the year ended September 30, 2023 are summarized as follows:

Vesting date	September 30, 2022	Granted	Vested and converted to common shares	Cancelled	September 30, 2023
November 15, 2022	72,000	-	(50,000)	(22,000)	-
November 15, 2023	72,000	-	-	(22,000)	50,000
September 13, 2023	615,998	-	(615,998)	-	-
September 13, 2024	308,002	-	-	-	308,002
September 22, 2024	-	695,000	-	-	695,000
September 22, 2025	-	695,000	-	-	695,000
RSUs outstanding	1,068,000	1,390,000	(665,998)	(44,000)	1,748,002

DSU transactions and the number of DSUs for the year ended September 30, 2024 are summarized as follows:

Vesting date		September 30, 2023	Granted	Vested and converted to common shares	Cancelled	September 30, 2024
November 15, 2023	(a)	123,334	-	-	-	123,334
September 13, 2024	(a)	116,664	-	-	-	116,664
September 22, 2024	(a)	275,000	-	-	-	275,000
September 22, 2025		275,000	-	-	-	275,000
May 3, 2025		-	275,000	-	-	275,000
May 3, 2026		-	275,000	-	-	275,000
DSUs outstanding		789,998	550,000	-	-	1,339,998

(a) These DSUs have vested but common shares have not been issued.

DSU transactions and the number of DSUs for the year ended September 30, 2023 are summarized as follows:

Vesting date	September 30, 2022	Granted	Vested and converted to common shares	Cancelled	September 30, 2023
June 6, 2022	131,333		(131,333)	-	-
November 15, 2022	131,333	-	(123,333)	(8,000)	-
November 15, 2023	131,334	-	-	(8,000)	123,334
September 13, 2023	233,336	-	(233,336)	-	-
September 13, 2024	116,664	-	-	-	116,664
September 22, 2024	-	275,000	-	-	275,000
September 22, 2025	-	275,000	-	-	275,000
DSUs outstanding	744,000	550,000	(488,002)	(16,000)	789,998

The weighted average remaining life of the unvested RSUs and DSUs as at September 30, 2024 is 0.67 and 0.65 years respectively (2023 – 1.35 and 1.19 years respectively). The Company recognized another $728,116 (2023 - $473,603) share-based compensation for RSUs and DSUs during the year ended September 30, 2024.

13. CAPITAL DISCLOSURES

The Company considers its capital to include shareholders' equity. The objectives of the Company are to attain a strong financial position from which the Company will be able to exhibit continued growth and obtain access to capital. The Company has no externally imposed restrictions.

The Company manages its capital structure and adjusts considering changes in economic conditions and risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may from time to time, issue shares, obtain debt financing, or adjust capital spending. As at September 30, 2024, the capital structure of the Company currently consists of shareholder's equity, which was $11,919,634 (September 30, 2023 - $10,381,710).

14. FAIR VALUE

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, other receivables, and trade payables and accrued liabilities approximate their fair values due to their short terms to maturity.

15. FINANCIAL INSTRUMENTS

The Company is exposed to financial risks from normal course business exposures, as well as from the Company's use of financial instruments. These risk factors include market risk, liquidity risk, and credit risk.

(a) **Market risk**

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The market price movements that could adversely affect the value of the Company's financial assets, liabilities and expected future cash flows include commodity price risk, interest rate risk and foreign exchange risk.

(i) Commodity price risk
The Company may employ the use of various financial instruments in the future to manage price exposure; the Company is not currently using any such instruments. The Company currently has not obtained any hedging instruments.

(ii) Interest rate risk
Interest rate risk is the risk of exposure to changes in market interest rates affecting future cash flows. The Company is not exposed to significant interest rate risk.

(iii) Foreign exchange risk
Foreign currency risk arises from fluctuations in foreign exchanges rates and the degree of volatility of these rates relative to the Canadian dollar. The Company is not exposed to significant foreign exchange risk given it has no financial instruments denominated in a foreign currency.

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS (continued)

(b) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company may need to obtain additional sources of cash resources to execute future exploration programs and believes that it has access to sufficient capital through potential external equity sources to meet projected expenditures.

(c) **Credit risk**

Credit risk is the risk that a customer or counter party will fail to perform an obligation or fail to pay amounts due causing a financial loss. The Company's credit risk is primarily attributable to cash and is subject to normal credit risks. Credit risk associated with cash is minimal as the Company deposits its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.

16. RELATED PARTY TRANSACTIONS

All related party transactions are in the normal course of operations and initially recorded at fair value.

As at September 30, 2024, the balance due to related parties is $Nil (September 30, 2023 - $16,198) due to directors and officers included in trade payables and accrued liabilities.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended September 30, 2024:

	Salary	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments [a]	Total
Marco Roque President, Chief Executive Officer, Director [b]	$ 288,750	$ Nil	$ Nil	$ Nil	$ 371,126	$ 659,876
Kevin Chen Chief Financial Officer [c]	$ 84,000	$ Nil	$ Nil	$ Nil	$ 46,235	$ 130,235
Jill Maxwell VP of Exploration	$ 261,625	$ Nil	$ Nil	$ Nil	$ 135,308	$ 396,933
Stephen Letwin Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 117,112	$ 117,112
James Maxwell Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 70,061	$ 70,061
Christopher Stewart Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 70,225	$ 70,225
Michael Wood Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 70,225	$ 70,225
Stephen Robertson Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 70,225	$ 70,225

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS (continued)

For the year ended September 30, 2023:

	Salary	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments [a]	Total
Marco Roque President, Chief Executive Officer, Director [b]	$ 285,000	$ Nil	$ Nil	$ Nil	$ 282,114	$ 567,114
Kevin Chen Chief Financial Officer [c]	$ 84,000	$ Nil	$ Nil	$ Nil	$ 42,174	$ 126,174
Jill Maxwell VP of Exploration	$ 112,185	$ Nil	$ Nil	$ Nil	$ 23,792	$ 135,977
Vern Shein Former VP of Exploration	$ 186,664	$ Nil	$ Nil	$ Nil	$ 77,719	$ 264,383
Stephen Letwin Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 110,377	$ 110,377
James Maxwell Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 51,942	$ 51,942
Christopher Stewart Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 47,980	$ 47,980
Michael Wood Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 47,980	$ 47,980
Stephen Robertson Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 48,784	$ 48,784

[a] Amount represents the Black-Scholes calculation of the stock options, RSUs and DSUs vested during the period and is included in the share-based compensation in the consolidated statements of loss and comprehensive loss.

[b] Marco Roque's salary as the Chief Executive Officer was paid through a company owned by Mr. Roque.

[c] Kevin Chen's salary as the Chief Financial Officer was paid through a company owned by Mr. Chen.

(Expressed in Canadian Dollars)

17. INCOME TAXES

The reconciliation of the expected tax expense calculated by applying the combined Federal and Provincial corporate income tax rates to the tax provision for the year is a result of the following items:

		Years ended September 30		
		2024		2023
				(Note 5)
Net loss for the year	$	(7,529,766)	$	(12,421,105)
Statutory tax rate		23.00%		23.00%
Expected income tax recovery		(1,731,846)		(2,856,854)
Increase (decrease) resulting from:				
Share-based payments		276,996		244,424
Deductible, non-deductible and other expenses		(213,675)		2,370,384
Flow-through share renunciation		1,296,283		1,661,781
Share issuance costs		(90,563)		(211,145)
Provision to return adjustments		-		(163,096)
Change in deferred tax asset not being recognized		462,805		(1,045,494)
Income tax recovery	$	-	$	-

The components in deferred tax assets for the years ended September 30, 2024 and 2023 are as follows:

		September 30, 2024		September 30, 2023
Property and equipment	$	949,149	$	940,407
Exploration and evaluation assets		1,671,786		1,743,231
Asset retirement obligation		744,268		646,758
Non-capital losses		6,490,856		6,002,992
Share issue costs		312,772		372,638
Valuation allowance		(10,168,831)		(9,706,026)
Net deferred income tax assets	$	-	$	-

At this stage of the Company’s development, it cannot be reasonably estimated that there will be future taxable profits, accordingly there were no deferred income tax assets recognized.

(Expressed in Canadian Dollars)

17. INCOME TAXES (continued)

The Company's Canadian non-capital losses expire between 2026 and 2044 are as follows:

		Loss carry-forwards
2026	$	3,718,868
2027		3,570,837
2028		285,077
2029		168,141
2030		151,341
2031		621,738
2032		1,369,151
2033		739,871
2034		968,053
2035		1,106,841
2036		1,220,464
2037		2,791,132
2038		1,034,830
2039		1,180,579
2040		1,793,741
2041		459,789
2042		1,801,027
2043		3,118,487
2044		2,121,144
	$	28,221,111

18. SUBSEQUENT EVENT

On October 9, 2024, the Company closed a non-brokered private placement by issuing 296,428 flow-through units (“FT Units”) at a price of $0.35 per FT Unit and 770,000 charity flow-through units (“CFT Units”) at a price of $0.37 per CFT Unit for total gross proceeds of $388,650. Each FT Unit and CFT Unit consists of one common share of the Company issued on a “CEE flow-through” basis pursuant to the *Income Tax Act* (Canada) and one warrant. Each warrant is exercisable by the holder to acquire one common share at a price of $0.50 for a period of 24 months from the date of issuance. In connection with the non-brokered private placement, $10,050 finders' fees were paid in cash and 40,200 finders' warrants were issued. Each finder's warrant is exercisable to acquire one common share at a price of $0.50 for a period of 24 months from the date of issuance.