E2Gold Inc.

Financial Statements

For the Years Ended July 31, 2024 and 2023

(Expressed in Canadian Dollars)

DNTW TORONTO LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
E2Gold Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of E2Gold Inc. (the "Company"), which comprise the statements of financial position as at July 31, 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended July 31, 2024 and, as of that date, the Company's current liabilities exceeded its total assets. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, 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 Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

Other Matter

The financial statements of the Company for the year ended July 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on November 24, 2023.

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Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended July 31, 2024, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

DNTW Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants

November 27, 2024
Markham, Ontario

E2Gold Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at July 31, 2024	As at July 31, 2023
	$	$
Assets		
Current Assets		
Cash	**49,065**	60,896
Short-term investments	**40,000**	60,000
Sales tax receivable (Note 4)	**1,418**	74,562
Prepaid expenses	**95,889**	176,608
Total Current Assets	**186,372**	372,066
Property and equipment (Note 5)	**5,670**	31,195
Total Assets	**192,042**	403,261
Liabilities		
Current Liabilities		
Amounts payable and accrued liabilities	**1,149,308**	808,009
Loan payable (Note 6)	**234,008**	211,274
Flow-through share liability (Note 7)	**-**	209,622
Total Liabilities	**1,383,316**	1,228,905
Shareholders' Deficit		
Share capital (Note 8)	**8,729,718**	7,871,044
Shares to be issued	**30,000**	**-**
Warrants reserve (Note 9)	**340,506**	1,574,942
Stock options reserve (Note 10)	**759,175**	879,266
Accumulated deficit	**(11,050,673)**	(11,150,896)
Total Shareholders' Deficit	**(1,191,274)**	(825,644)
Total Liabilities and Shareholders' Deficit	**192,042**	403,261

Nature of operations and going concern (Note 1)
Subsequent events (Note 18)

Approved on behalf of the Board of Directors:

"Eric Owens" (signed)
Director

"Peter Bojtos" (signed)
Director

The accompanying notes are an integral part of these financial statements

E2Gold Inc.
Statements of Loss and Comprehensive Loss
For the Years Ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
	$	$
Operating expenses		
Depreciation (Note 5)	**20,691**	18,794
Exploration and evaluation expenditures (Note 12)	**1,004,846**	2,312,653
General and administrative expenses	**290,873**	208,039
Investor relations (Note 13)	**189,225**	175,051
Management fees, director fees and salaries (Note 13)	**301,012**	624,585
Professional fees (Note 13)	**136,098**	205,455
Shareholders' information	**82,546**	67,768
Share-based payments (Note 10)	**106,527**	156,107
	(2,131,818)	(3,768,452)
Other Items		
Government exploration grants	**400,000**	-
Interest expense (Note 6)	**(25,997)**	(9,666)
Interest income	**1,062**	4,136
Premium on flow-through shares (Note 7)	**209,622**	365,077
Net Loss and Comprehensive Loss	**(1,547,131)**	(3,408,905)
Weighted Average Number of Outstanding Shares		
Basic and diluted (Note 11)	**192,423,418**	150,191,960
Net Loss per Share		
Basic and diluted (Note 11)	**(0.01)**	(0.02)

The accompanying notes are an integral part of these financial statements

E2Gold Inc.
Statements of Changes in Shareholders' Equity
For the Years Ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Number of common shares	Common share capital	Shares to be Issued	Reserves: Warrants	Reserves: Stock options	Accumulated deficit	Total equity (deficit)
Balance, July 31, 2022	**147,071,309**	**$ 7,569,999**	**$ -**	**$ 4,115,123**	**$ 935,595**	**$ (10,648,814)**	**$ 1,971,903**
Private placements (Note 8 and 9)	14,810,557	301,045	-	154,206	-	-	455,251
Warrants expired (Note 9)	-	-	-	(2,694,387)	-	2,694,387	-
Stock options cancelled (Note 10)	-	-	-	-	(212,436)	212,436	-
Share-based payments (Note 10)	-	-	-	-	156,107	-	156,107
Loss and comprehensive loss	-	-	-	-	-	(3,408,905)	(3,408,905)
Balance, July 31, 2023	**161,881,866**	**$ 7,871,044**	**$ -**	**$ 1,574,942**	**$ 879,266**	**$ (11,150,896)**	**$ (825,644)**

	Number of common shares	Common share capital	Shares to be Issued	Warrants	Share-based payments	Deficit	Total shareholders' equity
Balance, July 31, 2023	**161,881,866**	**$ 7,871,044**	**$ -**	**$ 1,574,942**	**$ 879,266**	**$ (11,150,896)**	**$ (825,644)**
Private placements (Note 8 and 9)	**35,999,999**	**658,674**	**30,000**	**186,300**	**-**	**-**	**874,974**
Shares issued for acquisition of mineral property (Note 8, 12)	**8,000,000**	**200,000**	-	**-**	**-**	**-**	**200,000**
Warrants expired (Note 9)	**-**	**-**	-	**(1,420,736)**		**1,420,736**	**-**
Stock options cancelled (Note 10)	**-**	**-**	-	**-**	**(226,618)**	**226,618**	**-**
Share-based payments (Note 10)	**-**	**-**	-	**-**	**106,527**	**-**	**106,527**
Loss and comprehensive loss	**-**	**-**	-	**-**	**-**	**(1,547,131)**	**(1,547,131)**
Balance, July 31, 2024	**205,881,865**	**$ 8,729,718**	**$ 30,000**	**$ 340,506**	**$ 759,175**	**$ (11,050,673)**	**$ (1,191,274)**

The accompanying notes are an integral part of these financial statements

E2Gold Inc.
Statements of Cash Flows
For the Years Ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
	$	$
Operating Activities		
Net loss for the year	**(1,547,131)**	(3,408,905)
Adjustments for non-cash items:		
Depreciation (Note 5)	**25,568**	28,550
Share-based payments (Note 10)	**106,527**	156,107
Shares issued for acquisition of mineral property (Note 8, 12)	**200,000**	-
Premium on flow-through shares (Note 7)	**(209,622)**	(365,077)
Interest expense accrued (Note 6)	**25,997**	9,666
Foreign exchange on loan payable	**10,546**	-
	(1,388,115)	(3,579,659)
Net change in non-cash working capital items:		
HST receivable	**73,144**	7,947
Prepaid expenses	**80,719**	103,384
Accounts payable and accrued liabilities	**341,299**	502,695
Cash Flows used in Operating Activities	**(892,953)**	(2,965,633)
Investing Activities		
Purchase of property and equipment (Note 5)	**(43)**	(7,559)
Proceeds from redemption of short-term investments	**20,000**	-
Cash Flows provided by (used in) Financing Activities	**19,957**	(7,559)
Financing Activities		
Payments from private placements (Note 8)	**935,000**	611,369
Share issue costs (Note 8)	**(60,026)**	(32,118)
Loan payable (Note 6)	**(13,809)**	201,608
Cash Flows used in Investing Activities	**861,165**	780,859
(Decrease) increase in Cash	**(11,831)**	(2,192,333)
Cash, beginning of year	**60,896**	2,253,229
Cash, end of year	**49,065**	60,896

The accompanying notes are an integral part of these financial statements

1. Nature of Operations and Going Concern

E2Gold Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) by articles of incorporation dated October 25, 2018. The principal office of the Company is located at 8 King Street East, Suite 1700, Toronto, Ontario M5C 1B5. The financial year end of the Company is July 31.

On December 30, 2020, the Company completed its Initial Public Offering ("IPO") and its common shares commenced trading on the TSX Venture Exchange ("TSXV") at the opening of business on January 4, 2021. The common shares of the Company trade under the symbol "ETU". On February 23, 2022, the Company's common shares commenced trading in the United States on the OTCQB Market, under the symbol "ETUGF".

The principal business of the Company is the acquisition, exploration and evaluation of mineral properties, and developing these properties further or disposing of them when evaluation is complete.

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

For the year ended July 31, 2024, the Company incurred a net loss of $1,547,131 (2023 – $3,408,905), had negative cash flow from operations of $892,953 (2023 – $2,965,633), had a working capital deficit of $1,196,944 (2023 - $856,839), and as at July 31, 2024, the Company had an accumulated deficit of $11,050,673 (July 31, 2023 – $11,150,896). The Company has no commercial operations and, as a result, the Company has no source of operating cash flow. The Company's ability to continue as a going concern is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations, or, in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions, and the unpredictability of the mining business, represent material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements have been prepared on the basis that the Company will continue as a going concern, and do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses, and classifications of statements of financial position that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

These financial statements were reviewed, approved and authorized for issuance by the Board of Directors (the "Board") of the Company on November 27, 2024.

(b) Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments carried at fair value, as explained in the accounting policies as set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional Currency

These financial statements are presented in Canadian dollars ("$" or "CAD"), which is the Company's functional currency. The functional currency is the currency of the primary economic environment in which the Company operates.

2. Basis of Presentation (continued)

(d) Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known.

Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources, and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, including financing activities, and the Company's cash position at year-end.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Technical feasibility and commercial viability

Management exercises judgment, in accordance with IFRS 6 – Exploration for and Evaluation of Mineral Resources ("IFRS 6"), to determine an accounting policy specifying which expenditures, if any, are capitalized as E&E assets, and to apply the policy consistently. E&E expenditures not capitalized as E&E assets are expensed as incurred. Once the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, an entity stops recording E&E expenditures for that mineral project, tests capitalized E&E assets (if any) for impairment and reclassifies those E&E assets to other applicable development-stage accounts. An assessment of technical feasibility and commercial viability is conducted on a project-by-project basis with regard to all relevant facts and circumstances. The nature and status of the mineral project is determined on the merits of the mineral project itself.

Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

2. Basis of Presentation (continued)

(d) Significant Accounting Judgments and Estimates (continued)

Income taxes

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Options and warrants

Options and warrants, including finders' warrants, are initially recognized at fair value using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments are used in applying the valuation techniques. These assumptions and judgments include the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate. Such assumptions and judgments are inherently uncertain. Changes in these assumptions can affect the fair value estimates of stock-based compensation.

Expected credit losses on financial assets

Determining an allowance for expected credit losses ("ECL") for amounts receivable and all debt financial assets not held at fair value through profit or loss ("FVTPL") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Functional currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which they operate. Determination of functional currency involves significant judgments and other entities may make different judgments based on similar facts. Periodically, the Company reconsiders the functional currency of its business if there is a change in the underlying transactions, events or conditions which determine its primary economic environment.

Shares issued for non-cash consideration

The Company is required to recognize these transactions at fair value which requires judgment in selecting valuation techniques and other factors.

3. Summary of Material Accounting Policies

(a) Current and Non-Current Classification

Assets and liabilities are presented in the statements of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realized or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is either expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(b) Cash

Cash in the statements of financial position comprises cash at a chartered bank in Canada and funds held in trust with the Company's legal counsels which is available on demand.

(c) Short-term investment

Short-term investment consists of Guaranteed Investment Certificates ("GIC") with expiry dates between 3 and 12 months.

(d) Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

- Computer equipment – Straight line method over 3 years
- Exploration equipment - Straight line method over 3 years

At each financial position reporting date the carrying amounts of the Company's 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 disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the pre-tax time value of money and the risks specific to the asset. 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 statement of loss and comprehensive loss.

(e) Financial Instruments

The Company classifies and measures financial instruments in accordance with IFRS 9 – Financial Instruments ("IFRS 9"). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities on the statements of financial position when it becomes a party to the financial instrument or derivative contract.

3. Summary of Material Accounting Policies (continued)

(e) Financial Instruments (continued)

Classification

The Company classifies its financial assets in the following measurement categories: (a) those to be measured subsequently at FVTPL; (b) those to be measured subsequently at fair value through other comprehensive income (loss) ("FVTOCI"); and (c) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company's financial assets include cash, other receivables excluding any sales tax amounts, and due from related party. The Company's financial liabilities include its accounts payable, due to related parties, lease liabilities, derivative liabilities and other liabilities.

Fair value through profit or loss

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics do not meet the solely payment of principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in the statements of loss and comprehensive loss.

Financial assets at fair value through other comprehensive income

Debt and equity instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVTOCI. Movements in fair values are recognized in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit and loss.

When the financial asset is derecognized, the cumulative gain or loss recognized in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognized using the effective interest rate method and presented in "interest income". As at July 31, 2024 and 2023, the Company did not have any financial assets at FVTOCI.

Amortized cost

Debt and equity instruments that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

The Company's classification of financial assets and financial liabilities is summarized below:

Cash	Amortized cost
Short-term investments	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. Summary of Material Accounting Policies (continued)

(e) Financial Instruments (continued)

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets, including equity investments, are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or OCI (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in OCI.

Expected credit loss impairment model

Under IFRS 9, the Company recognizes a provision for ECL on financial assets that are measured on amortized cost. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains or losses on derecognition are generally recognized in profit or loss.

Determination of fair value

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. An asset's recoverable amount is the higher of FVLCS and VIU. In assessing VIU, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized immediately in the statements of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal of impairment is recognized in the statements of loss and comprehensive loss.

3. Summary of Material Accounting Policies (continued)

(g) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(h) Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or OCI.

Current income tax is recognized and measured at the amount expected to be recovered from, or payable to, the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recorded for temporary differences at the date of the statements of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of the reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if, and only if, they relate to income taxes levied by the same taxation authority and the Company has the legal rights and intent to offset.

Estimates

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax‑related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(i) Share Capital

Common shares are classified as share capital. Costs directly attributable to the issue of common shares are recognized as a deduction from share capital, net of any tax effects.

(j) Share-Based Payments Transactions

The Company operates a stock option plan (the “Option Plan”). Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received, or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of options is determined based on the application of the Black-Scholes valuation model (“Black-Scholes”). The fair value of equity-settled stock-based compensation transactions is recognized as an expense with a corresponding increase in the share-based payments reserve.

3. Summary of Material Accounting Policies (continued)

(j) Share-Based Payments Transactions (continued)

If share-settled awards are modified, as a minimum an expense is recognized as if the modification has not been made. An additional expense is recognized, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Amounts recorded for cancelled or expired unexercised options are transferred to accumulated deficit in the period of which the cancellation or expiry occurs.

(k) Warrants

Share purchase warrants (each a "Warrant") are classified as a component of equity. Warrants issued along with shares in an equity unit financing are measured using the residual approach, whereby the fair value of the Warrant is determined after deducting the fair value of the shares from the unit price less applicable financing costs. Warrants issued for broker/financing compensation, are recognized at the fair value using Black-Scholes at the date of issuance. Warrants are initially recorded as a part of the reserves in warrant in equity at the recognized fair value.

Upon exercise of the Warrants, the previously recognized fair value of the Warrants exercised is reallocated to share capital from warrants reserve. Proceeds generated from the payment of the exercise price are also allocated to share capital. Amounts recorded for expired unexercised warrants are transferred to accumulated deficit in the period of which the expiry occurs.

(l) Flow-Through Shares

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the year is disclosed separately.

The issuance of flow-through common shares results in the tax deductibility of the qualifying resource expenditures funded from the proceeds of the sales of such common shares being transferred to the purchasers of the shares. On the issuance of such shares, the Company bifurcates the flow-through shares into a flow-through share premium, equal to the estimated fair value of the premium that investors pay for the flow-through tax feature, which is recognized as a liability, and equity values of share capital and/or warrants. As related exploration expenditures are incurred, the Company derecognizes the premium liability and recognizes the related recovery.

(m) Loss Per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted (loss) earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

(n) Foreign Currency Translation

Monetary assets and liabilities denominated in currencies other than CAD are translated into CAD at the rate of the financial statements of the Company are prepared in its functional currency, determined on the basis of the primary economic environment in which the entity operates. Given that operations are in Canada, the presentation and functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. At each reporting date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates and non-monetary items measured at historical cost are translated into the entity's functional currency at rates in effect at the date the transaction took place.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are included in the statements of loss and comprehensive loss for the period in which they arise.

3. Summary of Material Accounting Policies (continued)

(o) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(p) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments, evaluation activities and exploration costs.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

(q) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs are discounted to their net present value and are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

4. Sales Tax Receivable

The Company's sales tax receivable balance represents amounts due from government taxation authorities in respect of the Good and Services Tax/Harmonized Sales Tax. The Company anticipates full recovery of these amounts and therefore no ECL has been recorded against these receivables, which are due in less than one year.

(Expressed in Canadian Dollars)

5. Property and equipment

	Computers & Software	Exploration Equipment	Total
Cost:			
Opening, August 1, 2022	52,896	29,266	**82,162**
Additions	7,559	-	**7,559**
Closing, July 31, 2023	60,455	29,266	**89,721**
Additions	43	-	**43**
Closing, July 31, 2024	**60,498**	**29,266**	**89,764**
Accumulated Depreciation			
Opening, August 1, 2022	15,343	14,633	**29,976**
Depreciation expense	18,794	9,756	**28,550**
Closing, July 31, 2023	34,137	24,389	**58,526**
Depreciation expense	20,691	4,877	**25,568**
Closing, July 31, 2024	**54,828**	**29,266**	**84,094**
Net Book Value			
Opening, August 1, 2022	37,553	14,633	**52,186**
Closing, July 31, 2023	26,318	4,877	**31,195**
Closing, July 31, 2024	**5,670**	**-**	**5,670**

During the year ended July 31, 2024, $4,877 (2023 - $9,756) depreciation expense was allocated to exploration and evaluation expenditures while remaining $20,691 (2023 - $18,794) was recorded as depreciation in the statements of loss and comprehensive loss.

6. Loan payable

	As at July 31, 2024	As at July 31, 2023
Loan payable	**211,274**	201,608
Repayment of loan	**(13,809)**	-
Accrued interest	**36,543**	9,666
	234,008	211,274

On March 13, 2023, the Company entered into a demand promissory note with Laurel Duquette, a shareholder of the Company, providing for a loan to the Company in the aggregate principal amount of $211,274 (US$153,000) and bearing interest at a rate of 12.5% per annum. The loan is unsecured and payable on demand.

During the year ended July 31, 2024, the Company repaid $13,809 (US$10,000) of the promissory note.

7. Flow-Through Share Liability

Flow-through share liability includes the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability of the flow-through share liability:

	$
Balance, August 1, 2022	**450,699**
Liability incurred on issuance of flow-through shares	124,000
Settlement of flow-through share liability on incurred expenses	(365,077)
Balance, July 31, 2023	**209,622**
Settlement of flow-through share liability on incurred expenses	(209,622)
Balance, July 31, 2024	**-**

(Expressed in Canadian Dollars)

8. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value. Common shares issued and outstanding as at July 31, 2024 and 2023 are as follows:

	Number of common shares	Amount
	#	$
Balance, July 31, 2022	**147,071,309**	**7,569,999**
Shares issued on private placement financing [a]	6,200,000	310,000
Shares issued on private placement financing [b, c]	8,610,557	301,369
Warrants [a, b, c]	-	(152,222)
Compensation options [b]	-	(1,984)
Flow-through share premium (Note 8)	-	(124,000)
Share issuance costs	-	(32,118)
Balance, July 31, 2023	**161,881,866**	**7,871,044**
Shares issued on private placement financing [d]	5,783,333	173,500
Shares issued on private placement financing [e, f]	30,216,666	731,500
Warrants [d, e, f]	-	(180,000)
Compensation warrants [e, f]	-	(6,300)
Shares issued for acquisition of mineral property (Note 12)	8,000,000	200,000
Share issuance costs	-	(60,026)
Balance, July 31, 2024	**205,881,865**	**8,729,718**

Share capital transactions for the year ended July 31, 2023

a) On March 30, 2023, the Company closed a private placement pursuant to which it issued an aggregate of 6,200,000 flow-through units at a price of $0.05 per flow-through unit for total proceeds of $310,000.

   Each flow-through unit included one flow-through share and one common share purchase warrant, with each full warrant entitling the holder thereof to acquire one additional common share of the Company at an exercise price of $0.07 for a period of 36 months from the date of issuance. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.02; expected dividend yield of 0%; risk-free interest rate of 3.53%; volatility of 110% and an expected life of 3 years. The fair value assigned to these warrants was $58,052.

   In connection with the private placement, the Company issued a finder's fee consisting of cash and compensation options, totalling $6,300 and 126,000 compensation options. Each compensation options entitles the holder to acquire one common share at an exercise price of $0.07 for a period of three years. The fair value of these compensation options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.03; expected dividend yield of 0%; risk-free interest rate of 3.53%; volatility of 110% and an expected life of 3 years. The fair value assigned to these warrants was $1,984.

b) On June 6, 2023, the Company closed a private placement pursuant to which it issued an aggregate of 2,896,271 units at a price of $0.035 per unit for total proceeds of $101,369.

   Each unit included one common share and one share purchase warrant, with each full warrant entitling the holder thereof to acquire one additional common share of the Company at an exercise price of $0.07 for a period of 24 months from the date of issuance. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.02; expected dividend yield of 0%; risk-free interest rate of 4.38%; volatility of 131% and an expected life of 2 years. The fair value assigned to these warrants was $31,847.

8. Share Capital (continued)

c) On June 23, 2023, the Company closed a private placement pursuant to which it issued an aggregate of 5,714,286 units at a price of $0.035 per unit for total proceeds of $200,000.

Each unit included one common share of the Company and one common share purchase warrant which each whole warrant exercisable to acquire one addition common share at a price of $0.07 for a period of 24 months from the date of issuance thereof. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.02; expected dividend yield of 0%; risk-free interest rate of 4.66%; volatility of 129% and an expected life of 2 years. The fair value assigned to these warrants was $62,323.

Share capital transactions for the year ended July 31, 2024

d) On September 6, 2023, the Company closed a private placement pursuant to which it issued an aggregate of 5,783,333 units at a price of $0.03 per unit for total proceeds of $173,500.

Each unit included one common share and one share purchase warrant, with each full warrant entitling the holder thereof to acquire one additional common share of the Company at an exercise price of $0.06 for a period of 24 months from the date of issuance. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.03; expected dividend yield of 0%; risk-free interest rate of 4.68%; volatility of 146% and an expected life of 2 years. The fair value assigned to these warrants was $28,917.

e) On October 24, 2023, the Company announced that it closed its previously announced flow-through private placement by which it has issued an aggregate of 17,500,000 units at a price of $0.02 per unit, to raise aggregate gross proceeds of $350,000.

Each unit is made up of one common share of the Company and one common share purchase warrant; with each whole warrant exercisable to acquire one additional common share at a price of $0.05 for a period of 24 months from the date of issuance thereof. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.02; expected dividend yield of 0%; risk-free interest rate of 4.70%; volatility of 155% and an expected life of 2 years. The fair value assigned to these warrants was $87,500. The flow-through premium was calculated to be $nil using residual method after measuring the shares and warrants at fair value.

In connection with the offering, the Company paid aggregate cash commissions of $14,000 and issued an aggregate of 700,000 broker warrants to eligible registrants, each such broker warrant entitling the holder thereof to buy one common share at an exercise price of $0.05 for a period of two years. The fair value of these compensation options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.015; expected dividend yield of 0%; risk-free interest rate of 4.70%; volatility of 155% and an expected life of 2 years. The fair value assigned to these warrants was $3,500.

Ellie Owens, former President of the Company, has subscribed for 2,500,000 units in connection with the offering. In addition, Eric Owens, Chief Executive Officer of the Company, has subscribed for 2,500,000 units in connection with the offering.

f) On December 20, 2023, the Company announced that it closed its previously announced flowthrough private placement by which it has issued an aggregate of 12,716,666 units at a price of $0.03 per unit, to raise aggregate gross proceeds of $381,500.

Each unit is made up of one common share of the Company and one common share purchase warrant; with each whole warrant exercisable to acquire one additional common share at a price of $0.05 for a period of 24 months from the date of issuance thereof. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.03; expected dividend yield of 0%; risk-free interest rate of 3.91%; volatility of 197% and an expected life of 2 years. The fair value assigned to these warrants was $63,583. The flow-through premium was calculated to be $nil using residual method after measuring the shares and warrants at fair value.

(Expressed in Canadian Dollars)

8. Share Capital (continued)

In connection with the offering, the Company paid aggregate cash commissions of $16,800 and issued an aggregate of 560,000 broker warrants to eligible registrants, each such broker warrant entitling the holder thereof to buy one common share at an exercise price of $0.05 for a period of two years. The fair value of these compensation options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.025; expected dividend yield of 0%; risk-free interest rate of 3.91%; volatility of 197% and an expected life of 2 years. The fair value assigned to these warrants was $2,800.

Jeffrey Pritchard, Director of the Company, has subscribed for 450,000 units in connection with the offering. In addition, David Good, Chairman of the Board of Directors, has subscribed for 333,333 units in connection with the offering.

The Company also paid legal costs attributable to share issuance costs of $29,226 during the year ended July 31, 2024.

9. Warrants reserve

The following summarizes the warrants activity for the years ended July 31, 2024 and 2023:

	Number of warrants	Grant date fair value
	#	$
Balance, July 31, 2022	**85,729,115**	**4,115,123**
Issued (Note 9)	14,936,557	154,206
Expired	(50,449,034)	(2,694,387)
Balance, July 31, 2023	**50,216,638**	**1,574,942**
Issued (Note 9)	37,259,999	186,300
Expired	(35,280,081)	(1,420,736)
Balance, July 31, 2024	**52,196,556**	**340,506**

The following table reflects the warrants and compensation options issued and outstanding as of July 31, 2024:

Expiry date	**Exercise Price ($)**	**Warrants outstanding (#)**	**Valuation ($)**
June 6, 2025	0.07	2,896,271	31,847
June 23, 2025	0.07	5,714,286	62,323
September 6, 2025	0.06	5,783,333	28,917
October 24, 2025	0.05	17,500,000	87,500
October 24, 2025*	0.05	700,000	3,500
December 20, 2025	0.05	12,716,666	63,583
December 20, 2025*	0.05	560,000	2,800
March 30, 2026	0.07	6,200,000	58,052
March 30, 2026*	0.07	126,000	1,984
	0.06	**52,196,556**	**340,506**

*Compensation warrants

(Expressed in Canadian Dollars)

10. Stock options reserve

The Company maintains the Option Plan whereby certain key officers, directors and consultants may be granted stock options for common shares of the Company.

The following summarizes the stock option activity for the years ended July 31, 2024 and 2023:

	Number of stock options	Weighted average exercise price
	#	$
Balance, July 31, 2022	**9,420,000**	**0.13**
Stock options granted	5,890,000	0.05
Stock options forfeited	(2,030,000)	0.13
Balance, July 31, 2023	**13,280,000**	**0.09**
Stock options granted	5,650,000	0.05
Stock options forfeited	(4,200,000)	0.08
Balance, July 31, 2024	**14,730,000**	**0.08**

Option activities for the year ended July 31, 2023

a) On September 12, 2022, the Company granted 5,490,000 stock options to directors, officers, and consultants of the Company. The stock options are exercisable for a period of 3 years at a price of $0.05 and vested immediately. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.04; expected dividend yield of 0%; risk-free interest rate of 3.55%; volatility of 110.20% and an expected life of 3 years. The fair value assigned to these options was $141,000.

b) On January 13, 2023, the Company granted 400,000 stock options to a director of the Company. The stock options are exercisable for a period of 3 years at a price of $0.05 and vested immediately. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.035; expected dividend yield of 0%; risk-free interest rate of 3.49%; volatility of 110.91% and an expected life of 3 years. The fair value assigned to these options was $11,000.

Option activities for the year ended July 31, 2024

c) On November 21, 2023, the Company granted 5,650,000 stock options to directors, officers, employees and consultants of the Company. The stock options are exercisable for a period of 3 years at a price of $0.05 and vested immediately. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.025; expected dividend yield of 0%; risk-free interest rate of 4.22%; volatility of 148.93% and an expected life of 3 years. The fair value assigned to these options was $106,527.

During the year ended July 31, 2024 the Company recorded $106,527 (2023 - $156,107) in share-based payments associated with the issuance and vesting of stock options.

The following table summarizes information of stock options outstanding and exercisable as at July 31, 2024:

Expiry date	**Exercise Price ($)**	**Warrants outstanding (#)**	**Weighted average remaining contractual life (years)**	**Options exercisable**	**Fair value ($)**
August 17, 2024	0.130	3,800,000	0.05	3,800,000	410,400
November 17, 2024	0.155	250,000	0.30	250,000	29,000
January 20, 2025	0.135	40,000	0.47	40,000	8,266
September 12, 2025	0.050	4,290,000	1.12	4,290,000	110,180
January 13, 2026	0.050	400,000	1.45	400,000	11,000
November 21, 2026	0.050	4,950,000	2.31	4,950,000	93,329
December 6, 2026	0.170	1,000,000	2.35	1,000,000	97,000
	0.081	**14,730,000**	**1.32**	**14,730,000**	**759,175**

(Expressed in Canadian Dollars)

11. Basic and Diluted Loss per Share

The calculation of basic and diluted loss per share for the year ended July 31, 2024 was based on the loss attributable to common shareholders of $1,547,131 (year ended July 31, 2023 - $3,408,905) and the weighted average number of common shares outstanding of 192,423,418 (year ended July 31, 2023 – 150,191,960). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

12. Exploration and Evaluation Expenditures

	Year ended:	
	July 31, 2024	**July 31, 2023**
	$	$
Hawkins Gold Property (i)		
Assays and analysis	**49,156**	-
Community relations	**-**	6,649
Depreciation	**4,877**	9,756
Drilling	**-**	36,683
Equipment	**25,085**	-
Field expenses	**61,782**	-
First nations	**-**	38,096
Geochemistry	**-**	28,828
Geology	**356,136**	1,314,396
Geophysics	**269,054**	72,214
Mineral property / claims	**19,770**	17,563
Option payments	**200,000**	207,072
Other	**15,066**	9,594
	1,000,926	1,740,851
Band-Ore Property (ii)		
Community relations	-	762
Drilling	-	357,362
First nations	-	3,497
Geology	**1,000**	59,584
Mineral property / claims	**2,920**	8,400
Option payments	**-**	107,906
	3,920	537,511
Other		
General exploration	-	34,291
Exploration and evaluation expenditures	**1,004,846**	2,312,653

(i) Hawkins Gold Property

On January 28, 2020, the Company entered into a definitive option agreement with Pavey Ark Mineral Inc. ("Pavey Ark"), whereby the Company may earn a 100% interest in the Hawkins Gold Property located in the Province of Ontario.

The Company is in the process of renegotiating the terms of the option agreement with Pavey Ark.

(Expressed in Canadian Dollars)

12. Exploration and Evaluation Expenditures (continued)

Pursuant to the agreement, consideration payable is summarized as follows:

	Cash Payments	Common Shares	Exploration Expenditures
	$	$	$
On signing of the agreement (1)	20,000	-	-
On or before July 28, 2020 (1, 2)	50,000	100,000	-
On or before January 28, 2021 (1, 2, 3)	100,000	100,000	500,000
On or before January 28, 2022 (1, 2, 3)	200,000	200,000	500,000
On or before January 28, 2023 (1, 2, 3)	200,000	200,000	500,000
On or before January 28, 2024 (2, 3, 4)	200,000	200,000	500,000
On or before January 28, 2025 (4)	230,000	200,000	500,000
	1,000,000	**1,000,000**	**2,500,000**

(1) Cash payment made.
(2) Common shares issued, based on a 20-day volume weighted average price of the common shares prior to the date of issuance.
(3) The Company has met the minimum exploration expenditures.
(4) The Company has been granted an extension of the annual cash payment due on January 28, 2024 (4th Anniversary), to January 28, 2025, in exchange for an added cash payment of $50,000 due on or before January 28, 2025; and has been granted an extension of the annual cash payment due on January 28, 2025 (5th Anniversary) to January 28, 2026 in exchange for an added payment of $70,000.

(ii) Band-Ore Property

On October 14, 2021, the Company announced that it entered into an agreement with Golden Share Resources Corporation ("Golden Share") who granted an option to the Company to earn a 100% interest in the Band-Ore property. The Band-Ore property is located west of Thunder Bay, Ontario. In order to acquire its interest in the property, the Company is required to make aggregate cash payments to Golden Share of $2,000,000 as follows:

	Cash Payments
	$
On signing of the agreement (1)	50,000
1 year anniversary (1)	100,000
2 year anniversary	100,000
3 year anniversary	100,000
4 year anniversary	150,000
5 year anniversary	200,000
6 year anniversary	300,000
7 year anniversary	500,000
8 year anniversary	500,000
	2,000,000

(1) Cash payment made.

On July 24, 2023, the Company terminated the property option agreement with Golden Share.

(Expressed in Canadian Dollars)

13. Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board.

The remuneration of directors and other members of key management personnel during the years ended July 31, 2024 and 2023 were as follows:

	As at July 31, 2024	As at July 31, 2023
	$	$
Management fees	**362,979**	467,917
Director fees	**10,000**	45,000
Consulting fees	**96,952**	129,921
Share-based payments	**79,188**	138,131
	549,119	780,969

a) Management Fees

During the year ended July 31, 2024, the Company paid the following in management fees:

$215,000 to Sheer Strategic Inc., a corporation owned by Eric Owens, for services performed as Chief Executive Officer of the Company (2023 - $214,167), of which $35,833 was included under exploration and evaluation expenditures on the statements of loss and comprehensive loss (2023 - $nil).

$107,979 to Jeffrey Pritchard, Director, for services performed as investor relations advisor of the Company (2023 - $93,750), included as investor relations expenses on the statements of loss and comprehensive loss.

$40,000 to Invera Consulting, a business owned by Ellie Owens, for services performed as President of the Company (2023 - $160,000).

As at July 31, 2024, $171,606 was owed to Eric Owens and Sheer Strategic Inc. (2023 - $80,893), $7,321 was owed to Jeffrey Pritchard (2023 - $nil), and $72,351 was owed to Ellie Owens and Invera Consulting (2023 - $81,733), and all these amounts were included in amounts payable and accrued liabilities on the statements of financial position.

b) Director fees

During the year ended July 31, 2024, the Company incurred $10,000 (2023 - $45,000) for the directors' services. As at July 31, 2024, $18,529 (July 31, 2023 - $18,364) was owed to the directors of the Company and this amount was included in amounts payable and accrued liabilities.

c) Consulting Fees

During the year ended July 31, 2024, the Company paid the following in consulting fees:

$96,952 in professional fees (2023 - $87,921) to Marrelli Support Services Inc., Marrelli Trust Company Limited, DSA Corporate Services Inc. and DSA Filing Services Limited (collectively the "Marrelli Group of Companies"), who are controlled by Carmelo Marelli, former Chief Financial Officer of the Company. As at July 31, 2024, Marrelli Group of Companies was owed $96,634 (2023 - $56,185).

$nil in consulting fees (2023 - $42,000) paid to 5044563 Ontario Ltd., a corporation controlled by Bereket Berhe, a former director of the Company, which were included in professional fees on the statements of loss and comprehensive loss.

d) Private placements

On October 24, 2023, the Company completed an offering of $350,000. Each of Eric Owens (Chief Executive Officer of the Company), Ellie Owens (former President of the Company) and Laurel Duquette (spouse of Eric Owens) subscribed for 2,500,000 units in connection with the offering for gross proceeds of $50,000 each, for an aggregate total of $150,000.

(Expressed in Canadian Dollars)

13. **Related Party Transactions (continued)**

On December 20, 2023, the Company completed an offering of $381,500. Jeffrey Pritchard (Director of the Company) and David Good (Chairman of the Board of Directors) subscribed for 783,333 units in connection with the offering for an aggregate total $23,500.

On March 13, 2023, the Company entered into a demand promissory note with Laurel Duquette, providing for a loan to the Company in the aggregate principal amount of $211,274 (US$153,000), and, bearing interest at a rate of 12.5% per annum. The loan is unsecured and payable on demand. Laurel Duquette is the spouse of Eric Owens, the Chief Executive Officer of the Company. Refer to note 7 for further details.

14. Income Taxes

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

Year ended July 31,	2024	2023
		$
Loss before income taxes	**(1,547,131)**	(3,408,905)
Repayment of loan	**26.50%**	26.50%
Expected income tax recovery	**(409,990)**	(903,360)
Flow-through renunciation	**211,777**	440,836
Share issue costs	**(5,107)**	(6,809)
Non-deductible expenses and other	**3,941**	(324,086)
Change in deferred tax asset not recognized	**199,379**	793,419
Income tax recovery	**-**	-

Unrecognized deductible temporary differences

The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

Year ended July 31,	2024	2023
		$
Non-capital loss carry forwards	**2,321,613**	2,080,523
Share issue costs	**95,080**	154,721
Mineral properties	**(154,247)**	(172,177)
Deferred tax assets	**2,262,446**	2,063,067
less: valuation allowance	**(2,262,446)**	(2,063,067)
	-	-

Non-capital losses carried forward

The Company has non-capital tax losses available to offset future taxable income for income tax purposes, of $8,760,804 which expire between 2040 and 2044.

15. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, issue debt instruments or return capital to its shareholders. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than the flow-through obligations from past financings.

(Expressed in Canadian Dollars)

16. Financial Risks

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and due from related party, which expose the Company to credit risk should the borrower default on maturity of the instruments. Cash is held with reputable chartered bank in Canada, which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and due from related party is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing and investing activities.

As at July 31, 2024, the Company had a cash balance of $49,065 (July 31, 2023 – $60,896) to settle current liabilities of $1,383,316 (July 31, 2023 – $1,228,905).

As at July 31, 2024, the Company had the following contractual obligations:

	Less than 1 year	**1 to 3 years**	**3 to 5 years**	**Total**
	$	**$**	**$**	**$**
Amounts payable and accrued liabilities	1,149,308	-	-	**1,149,308**
Total	**1,149,308**	-	-	**1,149,308**

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations. Management believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at July 31, 2024.

Flow-through obligations

Pursuant to the terms of flow-through share agreements, the Company is also in the process of complying with its flow-through obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of July 31, 2024, the Company had a remaining balance of $542,281 to be spent by December 31, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at July 31, 2024, the Company had no hedging agreements in place with respect to floating interest rates. Management believes that the interest rate risk concentration with respect to financial instruments is minimal.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company has from time to time, financial instruments and transactions denominated in foreign currencies, notably in USD. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk remains minimal.

(Expressed in Canadian Dollars)

16. Financial Risks (continued)

Fair value

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

As at July 31, 2024 the Company's financial instruments consisted of cash, short-term investments, amounts payable and accrued liabilities, and loan payable.

The fair value of amounts payable and accrued liabilities is approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using 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).

July 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Cash	49,065	-	-	**49,065**
Short-term investments	40,000	-	-	**40,000**

As at July 31, 2024, the Company's financial instruments classified as Level 1 consisted of its cash and short-term investments. There were no transfers between Levels 2 and 3 for recurring fair value measurements during the years ended July 31, 2024 and 2023.

17. Contingencies

The Company's E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at July 31, 2024, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.

The Company is involved in litigation matters arising out of the ordinary course and conducting of its business. At this time, it is not possible to provide a meaningful evaluation of the likelihood of a favourable outcome or a potential range of loss. It will depend on several contingencies to be determined in the future. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to litigation to be material to the financial statements.

18. Subsequent Events

On August 27, 2024, the Company announced that it has closed a private placement in which the Company issued 15,822,502 units priced at $0.02 per unit and 2,800,000 flow-through units priced at $0.025 per flow-through unit for total gross proceeds of $386,450. Each unit included one common share of the Company and one common share purchase warrant which each whole warrant exercisable to buy one additional common share at a price of $0.05 for a period of 24 months from the date of issuance thereof. Each flow-through unit will be comprised of one "flow-through" common share of the Company and one common share purchase warrant; with each whole warrant exercisable to acquire one additional common share at a price of $0.06 for a period of 24 months from the date of issuance thereof. Insiders of E2Gold purchased an aggregate of 8,322,502 units in connection with the offering.

In connection with the offering, the Company paid aggregate cash commissions of $2,800 and issued an aggregate of 126,000 broker warrants to eligible registrants, each such broker warrant entitling the holder thereof to buy one common share at an exercise price of $0.05 for a period of two years.