HUNTSMAN EXPLORATION INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Huntsman Exploration Inc.:

Opinion

We have audited the consolidated financial statements of Huntsman Exploration Inc. and its subsidiaries (together, the "Company"), which comprise the consolidated statement of financial position as at August 31, 2023, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity (deficit) and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which describes conditions indicating 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 for the year ended August 31, 2023. 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. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined that there are no other key audit matters to be communicated in our report.

Other Matter

The consolidated financial statements for the year ended August 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on December 6, 2022.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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 and remain alert for indications that the other information 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 in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, 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.

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 Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
December 19, 2023

HUNTSMAN EXPLORATION INC.
Consolidated Statements of Financial Position
As at August 31,
(Expressed in Canadian Dollars)

		2023		2022
ASSETS				
Current				
Cash	$	35,728	$	191,069
Term deposit		17,524		17,976
Marketable securities (Note 7)		131,940		-
Amounts receivable		203,140		19,489
Prepaid expenses		3,790		6,349
		392,122		234,883
Exploration and evaluation assets (Notes 6 and 9)		-		6,953,407
	$	**392,122**	**$**	**7,188,290**
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY				
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 9)	$	360,529	$	258,278
Loan payable (Note 8)		42,000		-
		402,529		258,278
Equity (Deficit)				
Share capital (Note 10)		29,350,978		28,635,978
Shares issuable (Note 6)		-		715,000
Reserves (Note 10)		2,909,991		2,909,991
Deficit		(32,044,564)		(25,103,066)
Accumulated other comprehensive loss		(226,812)		(227,891)
		(10,407)		6,930,012
	$	**392,122**	**$**	**7,188,290**

Going Concern (Note 2)
Commitments (Notes 6 and 16)
Subsequent Events (Note 16)

Authorized for issuance on behalf of the Board on December 19, 2023:

"Nathan Tribble" Director

"Jeremy Ross" Director

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

HUNTSMAN EXPLORATION INC.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended August 31,
(Expressed in Canadian Dollars)

		2023		2022
Expenses				
Consulting fees (Note 9)	$	72,387	$	420,726
Foreign exchange		18		1,345
General exploration (recovery) (Notes 6(d), 7 and 9)		(24,717)		24,500
Management fees (Note 9)		87,470		191,229
Office and general		15,810		71,792
Professional fees		97,063		173,517
Rent (Note 9)		44,498		82,387
Share-based payments (Notes 9 and 10)		-		270,111
Shareholder communications and investor relations		14,629		202,657
Transfer agent and filing fees		20,466		25,751
Travel		-		9
Loss Before Other Items		(327,624)		(1,464,024)
Other Items				
Interest income		971		738
Realized loss on marketable securities (Note 7)		(16,983)		-
Change in fair value of marketable securities (Note 7)		(77,323)		-
Gain (loss) on sale of exploration and evaluation assets (Notes 6 and 16(a))		200,000		(2,421,574)
Impairment of exploration and evaluation assets (Note 6)		(6,720,539)		(4,581,904)
		(6,613,874)		(7,002,740)
Net Loss for the Year		(6,941,498)		(8,466,764)
Other Comprehensive Loss				
Item that may be reclassified subsequently to income or loss:				
Exchange difference on translating foreign operations		1,079		(123,755)
Comprehensive Loss for the Year	$	(6,940,419)	$	(8,590,519)
Loss per Share – Basic and Diluted	$	(0.45)	$	(0.73)
Weighted Average Number of Common Shares Outstanding		15,543,096		11,883,008

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

HUNTSMAN EXPLORATION INC.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian Dollars)

	Share Capital						
	Number of Shares	**Share Capital**	**Shares Issuable**	**Reserves**	**Deficit**	**Accumulated Other Comprehensive Loss**	**Total**
Balance, August 31, 2021	**8,721,987**	**$ 25,159,753**	**$ -**	**$ 2,639,880**	**$ (16,636,302)**	**$ (104,136)**	**$ 11,059,195**
Private placements	3,102,753	2,171,927	-	-	-	-	2,171,927
Share issuance costs	-	(125,702)	-	-	-	-	(125,702)
Shares issued for exploration and evaluation assets	2,600,000	1,430,000	-	-	-	-	1,430,000
Share-based payments	-	-	-	270,111	-	-	270,111
Shares to be issued for PieCo acquisition (Note 6(d))	-	-	715,000	-	-	-	715,000
Net loss for the year	-	-	-	-	(8,466,764)	-	(8,466,764)
Exchange difference on translating foreign operations	-	-	-	-	-	(123,755)	(123,755)
Balance, August 31, 2022	**14,424,740**	**28,635,978**	**715,000**	**2,909,991**	**(25,103,066)**	**(227,891)**	**6,930,012**
Shares issued for PieCo acquisition (Note 6(d))	1,300,000	715,000	(715,000)	-	-	-	-
Net loss for the year	-	-	-	-	(6,941,498)	-	(6,941,498)
Exchange difference on translating foreign operations	-	-	-	-	-	1,079	1,079
Balance, August 31, 2023	**15,724,740**	**$ 29,350,978**	**$ -**	**$ 2,909,991**	**$ (32,044,564)**	**$ (226,812)**	**$ (10,407)**

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

HUNTSMAN EXPLORATION INC.
Consolidated Statements of Cash Flows
For the Years Ended August 31,
(Expressed in Canadian Dollars)

	2023	2022
Operating Activities		
Net loss for the year	$ (6,941,498)	$ (8,466,764)
Items not involving cash		
Foreign exchange loss (gain)	721	(17,786)
General exploration recovery	(25,000)	-
Realized loss on marketable securities	16,983	-
Change in fair value of marketable securities	77,323	-
Loss (gain) on sale of exploration and evaluation assets	(200,000)	2,421,574
Impairment of exploration and evaluation assets	6,720,539	4,581,904
Share-based payments	-	270,111
Changes in non-cash working capital balances		
Amounts receivable	16,349	114,126
Prepaid expenses	2,559	46,957
Accounts payable and accrued liabilities	86,448	141,234
Cash Used in Operating Activities	(245,576)	(908,644)
Investing Activities		
Purchase of term deposit	-	(17,976)
Proceeds on sale of marketable securities	110,682	-
Exploration and evaluation asset expenditures	(61,795)	(1,661,596)
Proceeds on sale of exploration and evaluation assets	-	165
Cash Provided by (Used in) Investing Activities	48,887	(1,679,407)
Financing Activities		
Proceeds from loan payable	42,000	-
Shares issued for cash	-	2,171,927
Share issuance costs	-	(125,702)
Cash received through acquisition	-	89
Cash Provided by Financing Activities	42,000	2,046,314
Change in Cash	(154,689)	(541,737)
Effect of Exchange Rates on Cash	(652)	(3,843)
Cash, Beginning of Year	191,069	736,649
Cash, End of Year	$ 35,728	$ 191,069

Supplemental Disclosure with Respect to Cash Flows (Note 13)

1. NATURE OF OPERATIONS

Huntsman Exploration Inc. (the "Company") is an exploration stage company incorporated pursuant to the British Columbia *Business Corporations Act* on March 31, 2011. The principal business of the Company is the acquisition, exploration and evaluation of mineral properties. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "HMAN" and quoted on the US OTC Markets under the symbol "BBBMF". The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

On March 10, 2023, the Company consolidated its common shares on the basis of one new share for ten old shares. For all periods presented, common shares, warrants, stock options and any amounts for those instruments that are stated on a per-unit basis have been adjusted for the 10-for-1 share consolidation.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which 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.

The Company has incurred a net loss of $6,941,498 for the year ended August 31, 2023 and has a working capital deficit of $10,407 and an accumulated deficit of $32,044,564 at August 31, 2023. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

3. BASIS OF PRESENTATION

a) Statement of compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC") and were approved and authorized for issue by the Board of Directors on December 19, 2023.

(Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (Continued)

b) Measurement basis

These consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that have been measured at fair value. These consolidated financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Consolidation

These consolidated financial statements include all subsidiaries for the periods presented. Intercompany balances and transactions are eliminated. These subsidiaries are listed as follows:

Subsidiary	Ownership August 31, 2023	Ownership August 31, 2022	Incorporated	Nature
BlueBird Battery Metals Australia Pty. Ltd.	100%	100%	Australia	Mineral exploration
Huntsman Exploration USA Inc.	100%	100%	USA	Mineral exploration
PieCo Metals Pty. Ltd. (“PieCo”)	100%	100%	Australia	Mineral exploration

Control exists over an entity when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Financing costs

Professional, consulting and regulatory fees, as well as other costs directly attributable to financing transactions, are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Financing costs are charged to share capital as share issuance costs when the related transaction is completed and the shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to profit or loss in the period incurred.

b) Exploration and evaluation assets

All expenditures related to the cost of exploration and evaluation of mineral resources, including acquisition costs for interests in mineral claims, are capitalized as exploration and evaluation assets and are classified as intangible assets. General exploration costs not related to specific mineral properties and costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, capitalized costs of the related property are reclassified as mining assets and, upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. On reclassification from exploration and evaluation assets to mining assets, the related properties are assessed for impairment. Impairment is assessed at the level of cash-generating units. Management regularly assesses carrying values of non-producing properties and properties for which events and circumstances

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Exploration and evaluation assets (Continued)

may indicate possible impairment. The Company tests for impairment if one of the following factors is present: the rights to explore have expired or are near to expiry with no expectation of renewal; no further substantive expenditures are planned or budgeted; exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered; or, in an area with development likely to proceed, the carrying amount is unlikely to be recovered in full by development or sale.

The recoverability of exploration and evaluation assets is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves and the profitability of future operations. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. Amounts capitalized to exploration and evaluation assets do not necessarily reflect present or future values.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized; however, for corporate income tax purposes, the Company has no right to claim these costs as tax deductible expenses.

Payments on mineral property option agreements are made at the discretion of the Company, and accordingly, are recorded as they are incurred.

c) Foreign currency translation

The functional and presentation currency of the Company is the Canadian dollar. The functional currency of the Company's Australian subsidiaries is the Australian dollar (or "AUD") and the functional currency of the Company's USA subsidiary is the US dollar, which have been determined to be the currencies of the primary economic environment in which the subsidiaries operate.

Transactions in currencies other than the functional currency are translated at the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the rates prevailing at the reporting date. Non-monetary items are translated at historical rates and are not retranslated.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded as a component of profit or loss in the period in which they occur.

The results of operations and financial position of each subsidiary where the functional currency is different from the presentation currency are translated as follows: assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position; expenses are translated at the average exchange rate for the period in which they are incurred, all resulting exchange differences are recognized in other comprehensive income or loss and accumulated in the foreign currency translation reserve in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of the time value of money 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

As at August 31, 2023, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties, and accordingly, no provision has been recorded for such site reclamation or abandonment.

e) Share-based payments

The Company has an equity-settled share-based compensation plan. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. And each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative cost reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted on the date the entity obtains the goods or the counterparty renders the service.

f) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding as the effect is anti-dilutive. The weighted average number of common shares outstanding is adjusted retrospectively for changes in capitalization, such as share splits, reverse splits or cancellations.

g) Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Income taxes (continued)

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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 at the statement of financial position date. Deferred tax is not recognized for temporary differences that arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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) Financial instruments

Financial instruments are originally recorded at fair value when the Company becomes a party to the contractual provisions of these instruments, plus or minus, in the case of financial instruments not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition or issue of the financial instruments. Transaction costs are expensed for financial instruments measured at FVTPL.

Classification of financial instruments is established by management at the initial recognition of financial instruments based on the purpose for which these financial instruments were acquired or incurred. Financial instruments are classified into one of three categories: amortized cost, fair value through other comprehensive income ("FVTOCI") and FVTPL. All financial instruments not classified at amortized cost or FVTOCI are classified at FVTPL. On initial recognition, the Company can irrevocably designate a financial instrument at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The classification determines the method by which the financial instruments are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded. The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets
i) Amortized cost - These financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment charges are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) FVTOCI – these financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

iii) FVTPL - any financial assets that are not held in one of the two business models mentioned above are measured at FVTPL. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Impairment

The Company has a three-stage expected credit loss model for calculating impairment for financial assets. The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For receivables, the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, through profit or loss, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Financial liabilities

All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL and FVTOCI. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial liabilities classified as at amortized cost, are measured in subsequent periods using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the reliability of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are unobservable.

i) Cash and cash equivalents

Cash and cash equivalents include cash in banks and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value. As at August 31, 2023 and 2022, the Company did not have any cash equivalents.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Accounting standards issued but not yet effective (continued)

Disclosure of Accounting Policies (Amendments to International Accounting Standard ("IAS 1") *Presentation of Financial Statements*)

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material.

These amendments are effective for reporting periods beginning on or after January 1, 2023. These amendments are expected to reduce the disclosure of accounting policies for the Company.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 *Income Taxes)*

These amendments clarify accounting for deferred taxes on transactions such as leases and decommissioning obligations. They narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

These amendments to IAS 12 are effective for years beginning on or after January 1, 2023. These amendments are expected to have no material impact for the Company.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1 *Presentation of Financial Statements*)

These amendments to IAS 1 clarify the criteria for the classification of a liability as either current or non-current, based on rights that exist at the end of the reporting period. They further clarify that expectations about whether that right will be exercised are not relevant in the classification assessment.

These amendments to IAS 1 are effective for years beginning on or after January 1, 2023. These amendments are expected to have no material impact for the Company.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates, judgments and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgments.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

5. ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below.

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. These include whether the Company has the right to explore, whether substantive expenditures is budgeted or planned, commercially viability of the mineral resources and other considerations .

b) Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired or assumed are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates, including market based and appraisal values, are used. The contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

c) Share-based payments

The Company's determination that the fair value of exploration and evaluation assets acquired cannot be reasonably determined. As a result, the value of the common shares of the Company issued must be used.

Areas of estimation uncertainty

The following are key assumptions concerning the future and other sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the consolidated financial statements within the next financial year.

a) Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to fair value stock options granted during the period. The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates of the inputs to the Black-Scholes option pricing model that are subjective and may not be representative of actual results. The inputs subject to estimation uncertainty include the forfeiture rate and volatility. Changes in these assumptions can materially affect estimates of fair values.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

	Baxter Spring Property	Flint Property	Canegrass Property	Julimar Property	Total
Acquisition Costs					
Balance, August 31, 2021	**$ 4,202,263**	**$ 2,373,923**	**$ 1,680,082**	**$ -**	**$ 8,256,268**
Acquisition and option payments	318,000	-	-	2,164,106	2,482,106
Claim costs (recovery)	34,922	(1,652)	219,233	43,028	295,531
Sale of exploration and evaluation assets	-	(2,374,750)	-	-	(2,374,750)
Impairment	(4,558,293)	-	-	-	(4,558,293)
Currency translation difference	3,108	2,479	(3,386)	(34,089)	(31,888)
Balance, August 31, 2022	**-**	**-**	**1,895,929**	**2,173,045**	**4,068,974**
Claim costs	-	-	8,076	71,710	79,786
Recovery of acquisition costs	-	-	(347,453)	-	(347,453)
Impairment	-	-	(1,556,744)	(2,246,688)	(3,803,432)
Currency translation difference	-	-	192	1,933	2,125
Balance, August 31, 2023	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Deferred Exploration Expenditures					
Balance, August 31, 2021	**$ 20,664**	**$ 44,588**	**$ 1,863,809**	**$ -**	**$ 1,929,061**
Drilling	-	-	694,447	-	694,447
Geological	2,854	2,047	357,470	-	362,371
Geophysical	-	-	31,201	-	31,201
Sale of exploration and evaluation assets	-	(46,989)	-	-	(46,989)
Impairment	(23,611)	-	-	-	(23,611)
Currency translation difference	93	354	(62,494)	-	(62,047)
Balance, August 31, 2022	**-**	**-**	**2,884,433**	**-**	**2,884,433**
Drilling	-	-	10,255	-	10,255
Geological	-	-	19,943	-	19,943
Impairment	-	-	(2,917,107)	-	(2,917,107)
Currency translation difference	-	-	2,476	-	2,476
Balance, August 31, 2023	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Exploration and Evaluation Assets					
Balance, August 31, 2022	**$ -**	**$ -**	**$ 4,780,362**	**$ 2,173,045**	**$ 6,953,407**
Balance, August 31, 2023	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

6. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Baxter Spring Property

On August 26, 2020, and as amended September 22, 2021, the Company entered into an option agreement to acquire a 100% interest in the Baxter Spring Property, located in Nevada, from Liberty Gold Corp. ("Liberty") and Liberty's wholly owned subsidiary, Pilot Gold (USA) Inc.

In consideration, the Company made payments as follows:

- Cash payment of US$250,000 (paid);
- An additional cash payment of US$250,000 (paid) on or before May 31, 2022; and
- Issuance of common shares of the Company equal to 19.5% of the outstanding shares (issued 1,498,689 shares fair valued at $3,821,657).

The property is subject to a 2% net smelter return royalty ("NSR") and Liberty retained a back-in right to acquire a 35% interest in the property within three years upon payment of the sum of US$1,000,000 to the Company.

The Company recorded impairment charges in the amount of $4,581,904 to fully impair the property during the year ended August 31, 2022, as substantive expenditure for the exploration and evaluation asset was neither budgeted nor planned. The Company retained ownership of the Baxter Spring Property until subsequent to August 31, 2023, when it completed the sale of its interest (Note 16(a)).

b) Flint Property

On December 3, 2020, the Company entered into an agreement to acquire a 100% interest in certain claims comprising the Flint Property. In consideration, the Company paid US$100,000 in cash and issued 845,000 common shares of the Company fair valued at $2,070,250.

The Company satisfied the terms of the option agreement by staking 174 claims within the area of interest of the agreement at a cost of $127,900. The vendors retained a 2% NSR on the Flint Property, including claims staked by the Company.

On August 8, 2022, the Company sold its 100% interest in the Flint Property in exchange for total consideration of US$130. As a result, the Company recorded a loss of $2,421,574 on the disposal of the Flint Property.

c) Canegrass Property

On March 15, 2018, the Company entered into an option agreement with Trafalgar Resources Pty. Ltd. ("Trafalgar") to acquire a 100% interest in the Canegrass Property, located in the Mount Magnet region of Western Australia.

In consideration, the Company made payments as follows:

- Cash payment of $25,000 (paid) and issuance of 150,000 common shares of the Company (issued and fair valued at $870,000) upon approval by the TSX-V (approval received on March 21, 2018);
- Issuance of an additional 93,750 common shares of the Company on or before March 21, 2019 (issued and fair valued at $553,125); and
- Issuance of an additional 93,750 common shares of the Company on or before March 21, 2020 (issued and fair valued at $131,250).

6. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Canegrass Property (continued)

The Company was required to incur exploration expenditures as follows:

- $500,000 on or before March 21, 2019 (incurred);
- An additional $500,000 on or before March 21, 2020 (incurred); and
- An additional $500,000 on or before March 21, 2021 (incurred).

A finder's fee of 13,053 common shares (issued and valued at $75,707) was paid in relation to the Canegrass Property. Subject to further TSX-V approval, a discovery bonus of 75,000 common shares of the Company will be issued in the event of discovery of a copper/cobalt equivalent resource of 250,000 ounces or greater on the Canegrass Property. During the year ended August 31, 2021, the Company fulfilled its purchase obligations on the property to earn a 100% interest in the Canegrass Property.

The Company also paid a $25,000 letter of intent fee to Trafalgar during the year ended August 31, 2018.

On April 3, 2023, the Company closed the sale of the lithium and other pegmatite-related metal rights on the Canegrass Property for consideration of $32,386 (£20,000) and 50,000,000 shares of Corcel PLC ("Corcel") fair valued at $315,067.

The Company recorded impairment charges in the amount of $4,473,851 during the year ended August 31, 2023, as substantive expenditure for the exploration and evaluation asset is neither budgeted nor planned. The Company retains ownership of the Canegrass Property, subject to the rights previously sold.

d) Julimar Property

On April 26, 2022, the Company closed its acquisition of all of the issued and outstanding shares of PieCo, a private company with a portfolio of projects within the Julimar province of Western Australia.

The Company incurred a non-refundable option fee of $26,964 (AUD30,000) to the vendors for the option (included in exploration and evaluation assets). Total consideration includes 3,900,000 common shares issued to the shareholders of PieCo as follows:

- 1,300,000 common shares on closing of the acquisition (issued and fair valued at $715,000);
- 1,300,000 common shares within nine months of closing of the acquisition (issued and fair valued at $715,000); and
- 1,300,000 common shares within one year of closing of the acquisition (issued in 2023 and fair valued at $715,000). The common shares were accrued on April 26, 2022 and determined to be equity instruments. The common shares were not subsequently re-measured.

The vendors retain a 1.5% NSR on the projects held by PieCo.

The acquisition of PieCo has been accounted for as an acquisition of assets and assumption of liabilities, as PieCo does not meet the definition of a business under IFRS 3 *Business Combinations*. The acquisition of the net assets of PieCo was recorded at the fair value of the consideration transferred of $2,145,000 and the value of the option fee of AUD30,000, of which $2,144,911 was allocated to the mineral property as detailed above. The net assets acquired consisted substantially of exploration and evaluation assets.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

d) Julimar Property (continued)

The Company recorded impairment charges in the amount of $2,246,688 during the year ended August 31, 2023, as substantive expenditure for the exploration and evaluation asset is neither budgeted nor planned. The Company retains ownership of the Julimar Property.

7. MARKETABLE SECURITIES

During the year ended August 31, 2023, the Company received 80,000 shares of Lion Rock Resources Inc. ("Lion Rock") from the previous sale of the Maybrun Property. The Company recorded a recovery of general exploration of $25,000. A loss on marketable securities of $10,600 was recorded during the year ended August 31, 2023. At August 31, 2023, the fair value of the 80,000 Lion Rock shares was $14,400.

During the year ended August 31, 2023, the Company received 50,000,000 shares of Corcel from the sale of lithium and other pegmatite-related metal rights on the Canegrass property (Note 6(c)). The Company recorded a recovery of exploration and evaluation assets of $315,067. The Company sold 20,260,000 Corcel shares and recorded a loss on marketable securities of $16,983 during the year ended August 31, 2023. At August 31, 2023, the market value of the 29,740,000 Corcel shares was $117,540.

	2023	2022
Opening	$ -	$ -
Receipt of Corcel shares	315,067	-
Receipt of Lion Rock shares	25,000	-
Sale of Corcel shares	(110,682)	-
Realized loss on marketable securities	(16,983)	-
Change in fair value of marketable securities	(77,323)	
Cumulative translation difference	(3,139)	-
Closing	$ 131,940	$ -

8. LOAN PAYABLE

On May 12, 2023, the Company issued a demand loan with fair value of $42,000 from a shareholder of the Company. The amount is unsecured, non-interest-bearing and is due on demand.

(Expressed in Canadian Dollars)

9. RELATED PARTY BALANCES AND TRANSACTIONS

A party is related to the Company if they have control or joint control over the Company, have significant influence over the Company, or are a member of the Company's key management personnel. The Company has determined that the key management personnel includes directors and officers of the Company, including the chief executive officer, president and chief financial officer. These amounts of key management compensation are included in the amounts shown in profit or loss for the years ended August 31, 2023 and 2022:

	2023	2022
Consulting fees	$ -	$ 19,171
General exploration	-	30,000
Management fees	87,470	191,229
Share-based payments	-	254,222
Total	$ 87,470	$ 494,622

During the year ended August 31, 2023, the Company also paid or accrued:

- $40,000 (2022 - $55,000) in rent to a company with a common officer; and
- $283 (2022 - $nil) in exploration and evaluation asset expenditures to a private company for a director's services.

As at August 31, 2023, included in accounts payable and accrued liabilities is $141,876 (2022 - $78,338) due to companies controlled by directors for outstanding consulting fees. The amounts are unsecured, non-interest-bearing and due on demand.

10. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

During the year ended August 31, 2023

- On October 21, 2022, the Company issued 1,300,000 common shares measured at $715,000 for the acquisition of PieCo and the Julimar Property (Note 6(d)).

During the year ended August 31, 2022

- On November 26, 2021, the Company completed a placement for gross proceeds of $2,171,927. The Company issued 3,102,753 common shares of the Company at a price of $0.70 per share. The Company paid finder's fees of $114,092 and other share issuance costs of $11,609.

- On April 27, 2022, the Company issued 1,300,000 common shares measured at $715,000 for the acquisition of PieCo and the Julimar Property (Note 6(d)).

- On May 25, 2022, the Company issued 1,300,000 common shares measured at $715,000 for the acquisition of PieCo and the Julimar Property (Note 6(d)).

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding for the years ended August 31, 2023 and 2022 are summarized as follows:

	2023		2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	3,117,845	$ 3.50	3,146,886	$ 3.50
Expired	-	-	(29,041)	$ 1.40
Outstanding, end of year	3,117,845	$ 3.50	3,117,845	$ 3.50

The following warrants were outstanding and exercisable at August 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants
October 19, 2023*	0.13	$ 3.50	2,927,845
November 27, 2023*	0.24	$ 3.50	190,000
	0.14		3,117,845

* See Note 16(b)

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its finders' warrants granted. During the years ended August 31, 2023 and 2022, the Company did not grant any finders' warrants.

d) Stock options

The Company adopted a stock option plan (the "Plan") to grant incentive stock options to directors, officers, employees and consultants. Under the Plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the Plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

During the year ended August 31, 2023, the Company did not recognize any share-based payments expense (2022 - $270,111), as no options were granted during the year (2022 - 680,000).

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

d) Stock options (continued)

The following is a summary of option transactions under the Company's Plan for the years ended August 31, 2023 and 2022:

	2023		**2022**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,029,900	$ 1.30	600,400	$ 2.80
Expired	(197,400)	$ 1.47	(250,500)	$ 3.30
Granted	-	-	680,000	$ 0.70
Outstanding, end of year	832,500	$ 1.25	1,029,900	$ 1.30

The following options were outstanding and exercisable at August 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
October 22, 2023*	0.14	$ 0.70	30,000	30,000
October 22, 2023*	0.14	$ 2.50	20,000	20,000
November 18, 2023*	0.22	$ 0.70	400,000	400,000
January 8, 2024	0.36	$ 2.50	205,000	205,000
February 26, 2024	0.49	$ 2.50	27,500	27,500
December 3, 2024	1.26	$ 0.70	150,000	150,000
	0.44		832,500	832,500

* See Note 16(b)

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of each stock option grant was calculated using the following weighted average assumptions:

	2023	**2022**
Expected life (years)	N/A	3.00
Risk-free interest rate	N/A	1.09%
Expected annualized volatility	N/A	115%
Dividend yield	N/A	N/A
Stock price at grant date	N/A	$ 0.60
Exercise price	N/A	$ 0.70
Weighted average grant date fair value	N/A	$ 0.40

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

d) Stock options (continued)

The Company has used historical volatility to estimate the volatility of the share price.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, term deposit, marketable securities, amounts receivable, accounts payable and accrued liabilities, and loan payable. Cash, term deposit and marketable securities are classified as FVTPL. Amounts receivable are classified as amortized cost. Accounts payable and accrued liabilities and loan payable are classified as measured at amortized cost. The carrying values of these instruments approximate their fair values due to the relatively short periods to maturity.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

August 31, 2023	Level 1	Level 2	Level 3	Total
Cash	$ 35,728	$ -	$ -	$ 35,728
Term deposit	17,524	-	-	17,524
Marketable securities	131,940	-	-	131,940
	$ 185,192	$ -	$ -	$ 185,192

August 31, 2022	Level 1	Level 2	Level 3	Total
Cash	$ 191,069	$ -	$ -	$ 191,069
Term deposit	17,976	-	-	17,976
	$ 209,045	$ -	$ -	$ 209,045

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how these risks are mitigated are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial instruments that potentially subject the Company to concentrations of credit risk consists principally of cash, term deposit and amounts receivable. To minimize the credit risk on cash and term deposit, the Company places the instruments with major Canadian and Australian financial institutions. Included in amounts receivable is $200,000 owing from the purchaser of the Baxter Spring Property. The amount was collected subsequent to August 31, 2023 (note 16(a)). The maximum amount of credit risk is equal to the carrying value of cash, term deposit and amounts receivable. The Company's management of credit risk has not changed materially from that of the year ended August 31, 2022.

11. FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at August 31, 2023, the Company had contractual obligations consisting of accounts payable and accrued liabilities of $360,529 and loans payable of $42,000, due within the next 12 months. At August 31, 2023, the Company's cash was insufficient to cover its current liabilities. All of the liabilities presented as accounts payable are due within 30 days of the reporting date. The Company's management of liquidity risk has not changed materially from that of the year ended August 31, 2022.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and comprises: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. The Company's management of market risk has not changed materially from that of the year ended August 31, 2022.

i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada, the USA and Australia, and incurs operating and exploration expenditures in all currencies. The fluctuation of the Canadian dollar in relation to the Australian dollar will have an impact upon the results of the Company. A fluctuation in the exchange rate between the Canadian and Australian dollars of 10% would result in a change to the Company's profit and loss of $4,800 and equity of $16,300. The fluctuation of the Canadian dollar in relation to the US dollar would not have any material impact upon the results of the Company. The Company does not use any techniques to mitigate currency risk.

ii) *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. The Company is exposed to interest rate risk on the variable rate of interest earned on cash. The fair value interest rate risk on cash is immaterial, as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer by factors affecting all similar financial instruments traded in the market. The Company is exposed to other price risk on its marketable securities. A fluctuation in the trading price of the marketable securities of 10% would result in a $13,000 change in the Company's profit and loss.

(Expressed in Canadian Dollars)

12. MANAGEMENT OF CAPITAL

The Company considers its capital to be comprised of equity, which totaled a deficit of $10,407 at August 31, 2023 (2022 – capital of $6,930,012).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended August 31, 2023. The Company is not subject to externally imposed capital requirements.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		2023		2022
Non-cash Transactions and Supplemental Disclosures				
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-
Increase in exploration and evaluation assets in accounts payable and accrued liabilities	$	15,803	$	22,367
Marketable securities received for exploration and evaluation assets	$	315,067	$	-

14. SEGMENTED INFORMATION

The Company operates in one operating segment, being the exploration for and evaluation of mineral resource properties, within three geographical locations. Geographical information related to the Company's non-current assets is as follows:

		2023		2022
Exploration and evaluation assets – Australia	$	-	$	6,953,407

(Expressed in Canadian Dollars)

15. INCOME TAXES

The following table reconciles tax expense (income) in the consolidated financial statements to the product of accounting profit multiplied by the applicable tax rate:

	2023	2022
Loss before income taxes	(6,941,000)	(8,466,000)
Combined statutory tax rate	27.00%	27.00%
Income tax recovery at combined statutory rate	$ (1,874,000)	$ (2,293,000)
Rate change from prior year to current year	-	16,000
Permanent difference and others	(923,000)	1,763,000
Tax benefits not recognized	2,797,000	514,000
Tax expense (income)	$ -	$ -

The tax effects of deductible temporary differences are as follows:

	2023	2022
Non-capital loss carry-forwards	$ 3,384,000	$ 3,396,000
Capital loss carry-forwards	2,000	-
Exploration and evaluation assets	3,858,000	1,041,000
Share issuance costs	41,000	61,000
Marketable securities	10,000	-
Total	7,295,000	4,498,000
Deferred tax assets not recognized	(7,295,000)	(4,498,000)
	$ -	$ -

As at August 31, 2023, the Company has approximately $9,022,000 of non-capital loss carry-forwards in Canada available to reduce taxable income for future years. These losses expire as follows:

August 31, 2031	$ 15,000
August 31, 2032	79,000
August 31, 2033	359,000
August 31, 2034	242,000
August 31, 2035	388,000
August 31, 2036	603,000
August 31, 2037	811,000
August 31, 2038	1,752,000
August 31, 2039	1,044,000
August 31, 2040	666,000
August 31, 2041	2,142,000
August 31, 2042	921,000
	$ 9,022,000

15. INCOME TAXES (Continued)

As at August 31, 2023, the Company has approximately $3,967,000 of non-capital loss carry-forwards and $17,000 of capital loss carry-forwards in Australia available to reduce taxable income for future years. These losses have no expiry date.

16. SUBSEQUENT EVENTS

a) Subsequent to August 31, 2023, the Company completed the sale of its interest in the Baxter Spring Property for $200,000.

b) Subsequent to August 31, 2023, 3,117,845 warrants and 450,000 stock options expired unexercised.

c) On November 3, 2023, the Company entered into an option agreement to acquire a 100% interest in the Legear Property located in Ontario. Under the terms of the agreement the Company is required to make payments as follows:
   - Issuance of 250,000 common shares of the Company upon approval by the TSX-V (issued);
   - Issuance of an additional 500,000 common shares of the Company on or before May 24, 2024; and
   - Issuance of an additional 500,000 common shares of the Company and a cash payment of $20,000 on or before November 24, 2024.

   The vendor retains a 2% NSR royalty, of which one-half (1%) may be repurchased by the Company for $500,000.