

# **HUNTSMAN EXPLORATION INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2024 AND 2023**

**(EXPRESSED IN CANADIAN DOLLARS)**

## 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 statements of financial position as at August 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficit) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting 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, 2024. 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 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 IFRS Accounting 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 Doris Yingying Cen.

*Baker Tilly WM LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.  
December 18, 2024

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

	2024	2023
<b>ASSETS</b>		
Current		
Cash	\$ 3,439	\$ 35,728
Term deposit	18,272	17,524
Marketable securities (Note 7)	11,200	131,940
Amounts receivable (Note 6(a))	3,418	203,140
Prepaid expenses	3,500	3,790
	39,829	392,122
Exploration and evaluation assets (Notes 6 and 9)	7,500	-
	<b>\$ 47,329</b>	<b>\$ 392,122</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 351,967	\$ 360,529
Loan payable (Note 8)	-	42,000
	351,967	402,529
<b>Deficit</b>		
Share capital (Note 10)	29,358,478	29,350,978
Reserves (Note 10)	2,909,991	2,909,991
Deficit	(32,345,267)	(32,044,564)
Accumulated other comprehensive loss	(227,840)	(226,812)
	(304,638)	(10,407)
	<b>\$ 47,329</b>	<b>\$ 392,122</b>

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

Authorized for issuance on behalf of the Board on December 18, 2024:

"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)**

	2024	2023
<b>Expenses</b>		
Consulting fees (Note 9)	\$ 71,486	\$ 72,387
Foreign exchange	15	18
General exploration (recovery) (Notes 6(c), 7 and 9)	97,034	(24,717)
Management fees (Note 9)	52,500	87,470
Office and general	29,107	15,810
Professional fees	75,633	97,063
Rent (Note 9)	24,000	44,498
Shareholder communications and investor relations	6,693	14,629
Transfer agent and filing fees	14,640	20,466
<b>Loss Before Other Items</b>	<b>(371,108)</b>	<b>(327,624)</b>
<b>Other Items</b>		
Interest income	873	971
Realized gain (loss) on marketable securities (Note 7)	6,461	(16,983)
Change in fair value of marketable securities (Note 7)	63,071	(77,323)
Gain on sale of exploration and evaluation assets (Note 6)	-	200,000
Impairment of exploration and evaluation assets (Note 6)	-	(6,720,539)
	70,405	(6,613,874)
<b>Net Loss for the Year</b>	<b>(300,703)</b>	<b>(6,941,498)</b>
<b>Other Comprehensive Loss</b>		
Item that may be reclassified subsequently to income or loss:		
Exchange difference on translating foreign operations	(1,028)	1,079
<b>Comprehensive Loss for the Year</b>	<b>\$ (301,731)</b>	<b>\$ (6,940,419)</b>
<b>Loss per Share – Basic and Diluted</b>	<b>\$ (0.02)</b>	<b>\$ (0.45)</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>15,914,631</b>	<b>15,543,096</b>

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		Shares Issuable	Reserves	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Number of Shares	Share Capital					
<b>Balance, August 31, 2022</b>	<b>14,424,740</b>	<b>\$ 28,635,978</b>	<b>\$ 715,000</b>	<b>\$ 2,909,991</b>	<b>\$ (25,103,066)</b>	<b>\$ (227,891)</b>	<b>\$ 6,930,012</b>
Shares issued for PieCo acquisition (Note 6(c))	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
<b>Balance, August 31, 2023</b>	<b>15,724,740</b>	<b>29,350,978</b>	<b>-</b>	<b>2,909,991</b>	<b>(32,044,564)</b>	<b>(226,812)</b>	<b>(10,407)</b>
Shares issued for exploration and evaluation assets	250,000	7,500	-	-	-	-	7,500
Net loss for the year	-	-	-	-	(300,703)	-	(300,703)
Exchange difference on translating foreign operations	-	-	-	-	-	(1,028)	(1,028)
<b>Balance, August 31, 2024</b>	<b>15,974,740</b>	<b>\$ 29,358,478</b>	<b>\$ -</b>	<b>\$ 2,909,991</b>	<b>\$ (32,345,267)</b>	<b>\$ (227,840)</b>	<b>\$ (304,638)</b>

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)**

	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Net loss for the year	\$ (300,703)	\$ (6,941,498)
Items not involving cash		
Foreign exchange loss (gain)	(4,769)	721
General exploration recovery	-	(25,000)
Realized loss (gain) on marketable securities	(6,461)	16,983
Change in fair value of marketable securities	(63,071)	77,323
Gain on sale of exploration and evaluation assets	-	(200,000)
Impairment of exploration and evaluation assets	-	6,720,539
Changes in non-cash working capital balances		
Amounts receivable	(250)	16,349
Prepaid expenses	290	2,559
Accounts payable and accrued liabilities	34,783	86,448
<b>Cash Used in Operating Activities</b>	<b>(340,181)</b>	<b>(245,576)</b>
<b>Investing Activities</b>		
Proceeds on sale of marketable securities	192,593	110,682
Exploration and evaluation asset expenditures	(43,345)	(61,795)
Proceeds on sale of exploration and evaluation assets	200,000	-
<b>Cash Provided by Investing Activities</b>	<b>349,248</b>	<b>48,887</b>
<b>Financing Activities</b>		
Proceeds of loan payable	-	42,000
Repayment of loan payable	(42,000)	-
<b>Cash Provided by (Used in) Financing Activities</b>	<b>(42,000)</b>	<b>42,000</b>
<b>Change in Cash</b>	<b>(32,933)</b>	<b>(154,689)</b>
<b>Effect of Exchange Rates on Cash</b>	<b>644</b>	<b>(652)</b>
<b>Cash, Beginning of Year</b>	<b>35,728</b>	<b>191,069</b>
<b>Cash, End of Year</b>	<b>\$ 3,439</b>	<b>\$ 35,728</b>

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 1615 – 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 \$300,703 for the year ended August 31, 2024, and has a working capital deficit of \$312,138 and an accumulated deficit of \$32,345,267 at August 31, 2024. 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 IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and interpretations of the IFRS Interpretations Committee, and were approved and authorized for issue by the Board of Directors on December 18, 2024.

### **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.

**HUNTSMAN EXPLORATION INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended August 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**3. BASIS OF PRESENTATION** (Continued)

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:

<b>Subsidiary</b>	<b>Ownership August 31, 2024</b>	<b>Ownership August 31, 2023</b>	<b>Incorporated</b>	<b>Nature</b>
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. MATERIAL ACCOUNTING POLICIES**

a) 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 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.

**4. MATERIAL ACCOUNTING POLICIES (Continued)**

b) Exploration and evaluation assets (Continued)

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 ("AUD") and the functional currency of the Company's USA subsidiary is the US dollar ("US\$"), 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.

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, 2024, 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.

**4. MATERIAL ACCOUNTING POLICIES (Continued)**

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.

The amounts recorded in reserves for unexercised share options remain in reserves upon their expiry or cancellation.

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.

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.

**4. MATERIAL ACCOUNTING POLICIES (Continued)**

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.

Financial assets (continued)

- ii) FVTOCI – these financial assets are classified and measured at FVTOCI 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.

**4. MATERIAL ACCOUNTING POLICIES (Continued)**

h) Financial instruments (continued)

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, 2024 and 2023, the Company did not have any cash equivalents.

**4. MATERIAL ACCOUNTING POLICIES (Continued)**

- j) Accounting standards adopted during the year

**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 were adopted beginning September 1, 2023. These amendments have reduced 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 were adopted beginning September 1, 2023. These amendments did not have any material impact for the Company.

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

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 were adopted beginning September 1, 2023. These amendments did not have any material impact for the Company.

- k) Accounting standards issued but not yet effective

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

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

These amendments to IAS 1 are effective for years beginning on or after January 1, 2024. These amendments are expected to have no impact for the Company.

**4. MATERIAL ACCOUNTING POLICIES (Continued)**

- k) Accounting standards issued but not yet effective (continued)

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

**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.

*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) 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.



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**6. EXPLORATION AND EVALUATION ASSETS**

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

	Legear Property	Canegrass Property	Julimar Property	Total
<b>Acquisition Costs</b>				
<b>Balance, August 31, 2022</b>	\$ -	\$ 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
<b>Balance, August 31, 2023</b>	-	-	-	-
Acquisition and option payments	7,500	-	-	7,500
<b>Balance, August 31, 2024</b>	\$ 7,500	\$ -	\$ -	\$ 7,500
<b>Deferred Exploration Expenditures</b>				
<b>Balance, August 31, 2022</b>	\$ -	\$ 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
<b>Balance, August 31, 2023 and 2024</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Exploration and Evaluation Assets</b>				
<b>Balance, August 31, 2023</b>	\$ -	\$ -	\$ -	\$ -
<b>Balance, August 31, 2024</b>	\$ 7,500	\$ -	\$ -	\$ 7,500

**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 measured 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 September 26, 2023, when it completed the sale of its interest for \$200,000. The proceeds were included in amounts receivable at August 31, 2023.

b) 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 measured 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 measured at \$553,125); and
- Issuance of an additional 93,750 common shares of the Company on or before March 21, 2020 (issued and measured at \$131,250).

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 measured 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.

**6. EXPLORATION AND EVALUATION ASSETS (Continued)**

b) Canegrass Property (continued)

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") measured 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 was neither budgeted nor planned. The Company retains ownership of the Canegrass Property, subject to the rights previously sold.

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

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.

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 was neither budgeted nor planned. The Company retains ownership of the Julimar Property.

d) Legear Property

On November 3, 2023, and as amended May 24, 2024 and November 23, 2024, 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 and measured at \$7,500); and
- Issuance of an additional 1,000,000 common shares of the Company and a cash payment of \$20,000 on or before February 28, 2025.

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**6. EXPLORATION AND EVALUATION ASSETS (Continued)**

d) Legear Property (continued)

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

**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 \$3,200 (2023 - \$10,600) was recorded during the year ended August 31, 2024. At August 31, 2024, the fair value of the 80,000 Lion Rock shares was \$11,200 (2023 - \$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(b)). The Company recorded a recovery of exploration and evaluation assets of \$315,067. The Company sold 29,740,000 (2023 - 20,260,000) Corcel shares and recorded a gain on marketable securities of \$6,417 (2023 - loss of \$16,983) during the year ended August 31, 2024. At August 31, 2024, the Company did not have any Corcel shares remaining (2023 - 29,740,000 Corcel shares with a market value of \$117,540).

	<b>August 31, 2024</b>	<b>August 31, 2023</b>
Opening	\$ 131,940	\$ -
Receipt of Corcel shares	-	315,067
Receipt of Lion Rock shares	-	25,000
Sale of Corcel shares	(192,593)	(110,682)
Realized gain (loss) on marketable securities	6,461	(16,983)
Change in fair value of marketable securities	63,071	(77,323)
Cumulative translation difference	2,321	(3,139)
Closing	\$ 11,200	\$ 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. On September 13, 2023, the loan was repaid.

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**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 include 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, 2024 and 2023:

	Year Ended August 31, 2024	Year Ended August 31, 2023
Consulting fees	\$ 12,000	\$ -
Management fees	52,500	87,470
<b>Total</b>	<b>\$ 64,500</b>	<b>\$ 87,470</b>

During the year ended August 31, 2024, the Company also paid or accrued:

- \$24,000 (2023 - \$40,000) in rent to companies with a common officer; and
- \$nil (2023 - \$283) in exploration and evaluation asset expenditures to a private company for a director's services.

As at August 31, 2024, included in accounts payable and accrued liabilities is \$77,690 (2023 - \$141,876) due to companies controlled by directors for outstanding consulting fees and \$14,700 (2023 - \$nil) due to a company with a common officer for outstanding rent. 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, 2024

- On November 27, 2023, the Company issued 250,000 common shares measured at \$7,500 for the option agreement on the Legear Property (Note 6(d)).

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(c)).

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**10. SHARE CAPITAL** (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding for the years ended August 31, 2024 and 2023 are summarized as follows:

	<b>August 31, 2024</b>		<b>August 31, 2023</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	3,117,845	\$ 3.50	3,117,845	\$ 3.50
Expired	(3,117,845)	\$ 3.50	-	-
Outstanding, end of year	-	-	3,117,845	\$ 3.50

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.

The following is a summary of option transactions under the Company's Plan for the years ended August 31, 2024 and 2023:

	<b>August 31, 2024</b>		<b>August 31, 2023</b>	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	832,500	\$ 1.25	1,029,900	\$ 1.30
Expired	(682,500)	\$ 1.37	(197,400)	\$ 1.47
Outstanding, end of period	150,000	\$ 0.70	832,500	\$ 1.25

The following options were outstanding and exercisable at August 31, 2024:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
December 3, 2024*	0.51	\$ 0.70	150,000	150,000

\* See Note 16(a)

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**11. FINANCIAL INSTRUMENTS**

The Company's financial instruments include cash, term deposit, marketable securities, amounts receivable, and accounts payable and accrued liabilities. Cash, term deposit and marketable securities are classified as FVTPL. Amounts receivable are classified as amortized cost. Accounts payable and accrued liabilities is classified as 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:

<b>August 31, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash	\$ 3,439	\$ -	\$ -	\$ 3,439
Term deposit	18,272	-	-	18,272
Marketable securities	11,200	-	-	11,200
	\$ 32,911	\$ -	\$ -	\$ 32,911

  

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

*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 consist 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. 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, 2023.

## 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, 2024, the Company had contractual obligations consisting of accounts payable and accrued liabilities of \$351,967, due within 30 days of the reporting date. At August 31, 2024, 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, 2023.

### c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to 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, 2023.

- 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 on 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 or loss of \$5,300. The fluctuation of the Canadian dollar in relation to the US dollar would not have any material impact on 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 due to 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 \$1,100 change in the Company's profit or loss.



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**12. MANAGEMENT OF CAPITAL**

The Company considers its capital to be comprised of equity, which totaled a deficit of \$304,638 at August 31, 2024 (2023 - \$10,407).

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, 2024. The Company is not subject to externally imposed capital requirements.

**13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	Year Ended August 31, 2024	Year Ended August 31, 2023
<b>Non-cash Transactions and Supplemental Disclosures</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Marketable securities received for exploration and evaluation assets	\$ -	\$ 315,067
Increase (decrease) in exploration and evaluation assets in accounts payable and accrued liabilities	\$ (43,345)	\$ 15,803

**14. SEGMENTED INFORMATION**

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

	August 31, 2024	August 31, 2023
Exploration and evaluation assets – Canada	\$ 7,500	\$ -

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**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:

	<b>August 31, 2024</b>	<b>August 31, 2023</b>
Loss before income taxes	\$ (300,703)	\$ (6,941,498)
Combined statutory tax rate	27.00%	27.00%
Income tax recovery at combined statutory rate	(81,000)	(1,874,000)
Permanent differences and other	47,000	(923,000)
Tax benefits not recognized	34,000	2,797,000
Tax expense (income)	\$ -	\$ -

The tax effects of deductible temporary differences are as follows:

	<b>August 31, 2024</b>	<b>August 31, 2023</b>
Non-capital loss carry-forwards	\$ 3,450,000	\$ 3,384,000
Capital loss carry-forwards	1,000	2,000
Exploration and evaluation assets	3,858,000	3,858,000
Share issuance costs	20,000	41,000
Marketable securities	2,000	10,000
Total	7,331,000	7,295,000
Deferred tax assets not recognized	(7,331,000)	(7,295,000)
	\$ -	\$ -

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**15. INCOME TAXES (Continued)**

As at August 31, 2024, the Company has approximately \$9,524,000 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
August 31, 2043		182,000
August 31, 2044		320,000
	\$	9,524,000

As at August 31, 2024, the Company has approximately \$4,208,842 of non-capital loss carry-forwards and \$12,000 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, 2024, 150,000 stock options expired unexercised.
- b) On November 23, 2024, the terms of the Legear Property option agreement were amended (Note 6(d)).