RAGING RHINO CAPITAL CORP.

(A CAPITAL POOL COMPANY)

FINANCIAL STATEMENTS

For the Years Ended August 31, 2024 and 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Raging Rhino Capital Corp.

Opinion

We have audited the accompanying financial statements of Raging Rhino Capital Corp. (the "Company"), which comprise the statements of financial position as at August 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates 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 financial statements of the current year ended. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year ended 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 Daniel Nathan.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

December 24, 2024

Raging Rhino Capital Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	August 31, 2024 $	August 31, 2023 $
ASSETS			
Current assets			
Cash		180,106	246,601
Prepaid expenses		4,148	5,146
TOTAL ASSETS		**184,254**	**251,747**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4, 6	32,040	20,661
TOTAL LIABILITIES		**32,040**	**20,661**
SHAREHOLDERS' EQUITY			
Share capital	3	370,023	370,023
Reserve	3	57,952	57,952
Deficit		(275,761)	(196,889)
TOTAL SHAREHOLDERS' EQUITY		**152,214**	**231,086**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**184,254**	**251,747**
Incorporation and nature of business	1		

These financial statements were approved for issue on December 24, 2024 by the Board of Directors and signed on its behalf by:

/s/ Michael B. Harrison Director **/s/ Vladimiro G. Cernetig Director**

(Expressed in Canadian Dollars)

	Note	For the year ended August 31, 2024 $	August 31, 2023 $
Expenses			
Accounting fees	4	23,937	20,157
Audit fees		13,285	19,131
General and administrative		1,198	800
Legal fees		21,075	20,208
Other professional fees		2,940	7,086
Regulatory and filing fees		16,209	42,714
Investor relations		228	803
Share-based payments	3, 4	-	26,140
Total loss and comprehensive loss		**78,872**	**137,039**
Basic and diluted loss per share for the year attributable to common shareholders		(0.01)	(0.03)
Weighted average number of common shares outstanding - basic and diluted		6,790,200	4,948,556

Raging Rhino Capital Corp.
Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

		Share capital		Reserves				
	Note	Number of shares	Amount $	Options $	Warrant $	Additional paid-in capital $	Deficit $	Total Shareholders' Equity $
Balance as at August 31, 2023	**3**	**6,790,200**	**370,023**	**41,831**	**13,506**	**2,615**	**(196,889)**	**231,086**
Net loss		-	-	-	-	-	(78,872)	**(78,872)**
Balance as at August 31, 2024		**6,790,200**	**370,023**	**41,831**	**13,506**	**2,615**	**(275,761)**	**152,214**

Balance as at August 31, 2022	**3**	**4,090,200**	**199,510**	**18,306**	**-**	**-**	**(59,850)**	**157,966**
Shares issued for cash - private placement	3	2,700,000	260,000	-	-	-	-	**260,000**
Share issue costs	3	-	(75,981)	-	-	-	-	**(75,981)**
Fair value of finders' warrants	3	-	(13,506)	-	13,506	-	-	**-**
Reclassification of grant-date fair value on cancelled stock options	3	-	-	(2,615)		2,615	-	**-**
Share-based payments	3	-	-	26,140	-	-	-	**26,140**
Net loss		-	-	-	-	-	(137,039)	**(137,039)**
Balance as at August 31, 2023		**6,790,200**	**370,023**	**41,831**	**13,506**	**2,615**	**(196,889)**	**231,086**

(Expressed in Canadian Dollars)

	Note	For the year ended August 31, 2024 $	For year ended August 31, 2023 $
Cash flows from OPERATING ACTIVITIES			
Net loss		(78,872)	(137,039)
Adjustments for items not affecting cash:			
Share-based payments		-	26,140
Change in non-cash working capital			
Amounts receivable		-	371
Prepaid		998	50,854
Accounts payable and accrued liabilities		11,379	(12,055)
Cash flow used in operating activities		**(66,495)**	**(71,729)**
FINANCING ACTIVITIES			
Proceeds from issuance of common shares, net of share issue costs	3	-	184,019
Cash flow from financing activities		**-**	**184,019**
Increase (decrease) in cash		**(66,495)**	**112,290**
Cash, beginning of year		**246,601**	**134,311**
Cash, end of year		**180,106**	**246,601**
Supplementary cash flow information			
Fair value of finders' warrants		-	13,506
Cash paid during the year for interest		-	-
Cash paid during the year for income taxes		-	-

1. INCORPORATION AND NATURE OF BUSINESS

Raging Rhino Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 9, 2021 and is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual (the "Manual"). The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced commercial operations and has no non-current assets. Given the nature of the activities, no separate segmented information is reported. The Company's continuing operations, as intended, are dependent on its ability to identify and evaluate potential acquisitions of businesses for a QT, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The head office and the registered head office of the Company is located at Suite 2000, 1111 West Georgia Street Vancouver, B.C. V6E 4G2

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under Policy 2.4 in the Manual.

On May 24, 2023, the Company completed its initial public offering ("IPO") of 2,500,000 common shares at $0.10 per share for gross proceeds of $250,000 and was listed on the Exchange as a CPC. Haywood Securities Inc. acted as agent for the IPO.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to acquire and develop its business interests, and to commence profitable operations in the future. At August 31, 2024, the Company has not generated any revenues, had working capital of $152,214 (August 31, 2023 – $231,086) and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

Statement of compliance with International Financial Reporting Standards

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

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Estimates

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

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

Deferred tax assets & liabilities

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Going concern

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts which are repayable on demand.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and stock options are classified as equity instruments. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the fair value of the common shares at the time the units are priced, then to warrants on a residual value basis.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case it is recognized in shareholders' equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share 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 when the effect is anti-dilutive.

Financial instruments

- **Financial assets**

  Classification and measurement

  The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

  The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

  Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

- **Financial assets (continued)**

Financial assets at FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges. As of August 31, 2024 and 2023, the Company has classified its cash as FVTPL.

Financial assets at FVTOCI – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. As of August 31, 2024 and 2023, the Company has no financial assets classified as FVOCI.

Financial assets at amortized cost – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. As of August 31, 2024 and 2023, the Company has classified its amounts receivable as amortized cost.

Impairment of financial assets at amortized cost
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 trade 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 if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derecognition of financial assets
Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

- **Financial liabilities**

Classification and measurement
The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

- **Financial liabilities (continued)**

  Other financial liabilities – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. As of August 31, 2024 and 2023, the Company has classified its accrued liabilities as other financial liabilities.

  Derecognition of financial liabilities
  A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

  When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of loss.

- **Share-based payments**

  Share-based payment transactions
  Employees (including directors and senior executives) of the Company, and individuals providing similar services to those performed by direct employees, receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

  In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments issued to non-employees are measured at the fair value of goods or services received.

3. SHARE CAPITAL

Authorized share capital
- Unlimited number of common shares without par value.

Issued share capital
As of August 31, 2024, the Company had 6,790,200 common shares issued and outstanding (August 31, 2023 – 6,790,200).

No share capital transactions occurred during the year ended August 31, 2024.

During the year ended August 31, 2023:

- On November 1, 2022, the Company completed a private placement of 200,000 common shares at a price of $0.05 for gross proceeds of $10,000.

(Expressed in Canadian Dollars)

3. SHARE CAPITAL (CONTINUED)

Issued share capital (continued)

- As discussed in Note 1, on May 24, 2023, the Company completed its IPO pursuant to which it issued 2,500,000 common shares at $0.10 per share for gross proceeds of $250,000. In connection with the IPO, the Company paid a commission of 10% of the IPO proceeds ($25,000), a corporate finance fee of $12,500 and issued 250,000 warrants ("Finder's Warrants") (issued) to the Agent. Each Finder's Warrant entitles the Agent to purchase one common share at an exercise price of $0.10 per share.

  The Company estimated the fair value of Finder's Warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 4.18%, an expected life of 2 year, an expected volatility of 100% and an expected dividend yield of 0%, which totaled $13,506, and recorded these values as share issuance costs.

  In addition, the Company incurred $75,981 in share issuance costs.

Escrowed Shares

All common shares of the Company acquired in the secondary market prior to the completion of a QT by non-arm's length parties, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

As at August 31, 2024, 4,290,200 issued and outstanding common shares are held in escrow pursuant to the requirements of the Exchange.

Warrants

The changes in warrants during the year ended August 31, 2024 and 2023 as follows:

	August 31, 2024		August 31, 2023	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, beginning of year	**250,000**	**0.10**	**-**	**-**
Issued	-	-	250,000	0.10
Balance, end of year	**250,000**	**0.10**	**250,000**	**0.10**

Except for the discussion above, no other warrants were issued, exercised, or expired during the year ended August 31, 2024 and 2023.

The following summarizes information about warrants outstanding and exercisable at August 31, 2023:

Expiry date	Exercise price ($)	Warrants outstanding	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
May 24, 2025	0.10	250,000	13,506	0.73

(Expressed in Canadian Dollars)

3. SHARE CAPITAL (CONTINUED)

Options

The Company maintains a Stock Option Plan (the "Plan") under which it is authorized to grant stock options to officers, directors, employees, and consultants. Under the Plan, the number of options that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. The exercise price of each stock option shall equal the market price of the Company's shares, less any applicable discount, as calculated on the date of grant. Options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Options to purchase common shares have been granted to directors, employees, consultants and advisors at exercise prices determined by reference to the market value of the common shares on the date of the grant.

Any shares issued upon exercise of the options prior to the Company entering into a QT will be subject to escrow restrictions.

The changes in options during the year ended August 31, 2024 and 2023 as follows:

	August 31, 2024		August 31, 2023	
	Number outstanding	**Weighted average exercise price**	**Number outstanding**	**Weighted average exercise price ($)**
Balance, beginning of year	**679,020**	**0.07**	**409,020**	**-**
Granted	-	-	328,431	0.09
Cancelled	-	-	(58,431)	0.05
Balance, end of year	**679,020**	**0.07**	**679,020**	**0.07**

No options were granted, exercised or expired during year ended August 31, 2024.

During year ended August 31, 2023:

- On November 6, 2022, the Company issued and granted to the directors and officers of the Company, an aggregate of 78,431 stock options with an exercise price of $0.05 and vested immediately at the date of grant. Shares issued upon exercise these options will be subject to escrow.

- On May 24, 2023, the Company issued and granted to the directors and officers of the Company, an aggregate of 250,000 stock options with an exercise price of $0.10 and vested immediately at the date of grant. Shares issued upon exercise these options will be subject to escrow.

- 58,431 stock options were cancelled.

(Expressed in Canadian Dollars)

3. SHARE CAPITAL (CONTINUED)

Options (continued)
During the year ended August 31, 2024 and 2023, the Company recognized share-based payments of $nil and $26,140, respectively.

The following summarizes information about stock options outstanding and exercisable at August 31, 2024:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
December 3, 2031	0.05	299,160	299,160	13,370	7.26
August 24, 2032	0.05	51,429	51,429	2,321	7.99
November 6, 2032	0.05	78,431	78,431	3,550	8.19
May 24, 2033	0.10	250,000	250,000	22,590	8.73
		679,020	**679,020**	**41,831**	**7.96**

4. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of its Executive Officers and Directors. Other related parties to the Company include companies in which key management have control or significant influence.

During the year ended August 31, 2024, the Company incurred accounting fees of $23,937 (August 31, 2023 – $20,157) for services provided by an accounting firm whose senior manager is an officer of the Company. As at August 31, 2024, $4,258 is included in accounts payable and accrued liabilities for these services. (August 31, 2023 – $5,356)

During the year ended August 31, 2024, the Company recognized share-based payments expense of $nil related to the options granted to the directors and officers of the Company. (August 31, 2023 – $26,140).

There were no other transactions with related parties and no remuneration was paid to key management personnel during the year ended August 31, 2024.

5. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of share capital and accumulated deficit, in the definition of capital. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners pursuant to the policies of the Exchange Policy 2.4 and 4.1.

(Expressed in Canadian Dollars)

5. CAPITAL MANAGEMENT (CONTINUED)

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange Policy 2.4.

6. FINANCIAL INSTRUMENTS

Fair value

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	August 31, 2024	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	180,106	-	180,106	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	(32,040)	-	(32,040)	-

	August 31, 2023	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	246,601	-	246,601	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	(20,661)	-	(20,661)	-

The carrying values of cash, amounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

6. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

As at August 31, 2024 and August 31, 2023, no financial assets or liabilities were measured and recognized in the statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy.

Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and amounts receivable.

The Company's cash is held at financial institutions in Canada. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash based in Canada are accessible. The Company's amounts receivable balance does not represent significant credit exposure as it is principally due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at August 31, 2024, the Company had cash of $180,106 and accounts payable and accrued liabilities of $32,040. All accounts payable and accrued liabilities are current.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. The Company is not exposed to significant interest rate risk relating to its cash.

Foreign Currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company is not exposed to currency risk as all transactions incurred during the year, and balances of the monetary assets and liabilities as of August 31, 2024 are denominated in Canadian dollars.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk (continued)

Commodity price risk
The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

7. INCOME TAXES

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

	2024 $	2023 $
Loss for the year	**(78,872)**	**(137,039)**
Expected income tax (recovery)	(21,000)	(37,000)
Permanent differences	-	12,000
Share issue cost	-	(25,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	-	(2,000)
Change in unrecognized deductible temporary differences	21,000	52,000
Total income tax expense (recovery)	**-**	**-**

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

	2024 $	Expiry Range	2023 $	Expiry Range
Temporary Differences				
Property and equipment	8,000	No expiry date	-	No expiry date
Share issue costs	62,000	2045 to 2047	83,000	2044 to 2047
Non-capital losses available for future period	242,000	2042 to 2044	150,000	2042 to 2043

Tax attributes are subject to review and potential adjustment by tax authorities.