TRANSITION METALS CORP.

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Transition Metals Corp.

Opinion

We have audited the financial statements of Transition Metals Corp. (the "Company"), which comprise the statements of financial position as at August 31, 2023 and 2022, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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. 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

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Key audit matter	How our audit addressed the key audit matter
Impairment of equity investment in associate	
As of August 31, 2023 the Company has an investment in an associate that is not traded in an active market. Management is required to consider whether there are any indicators that the investment is impaired on an annual basis. If there are any indicators of impairment, an impairment assessment should be performed (Note 6). The assessment of impairment and the assessment of impairment indicators requires a significant amount of management judgement. We identified the impairment assessment of the equity investment in associate that is not traded in an active market as a key audit matter because of the significant level of management judgement required to be exercised in determining the assumptions adopted in the impairment assessments, which can be inherently uncertain and could be subject to management bias which include retained portion of past expenditures and estimation of warranted future costs.	In this regard, our audit procedures included: - Discussing indicators of impairment with management; - Evaluating management's assessment of indicators of impairment and any calculation or supporting documents on the recoverable amount of the investment in associate; - Assessing calculation or supporting documents from management regarding the recoverable amount by employing an auditors' expert to assist with the valuation; - Evaluating management's disclosure in the notes to the financial statements of significant judgements in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises 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.

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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, 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 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 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 judgement 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 risks 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.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
December 14, 2023

Transition Metals Corp.

Statements of Financial Position
(Expressed in Canadian Dollars)

As at	August 31, 2023	August 31, 2022
ASSETS		
Current assets		
Cash	$ **1,323,719**	$ 1,354,322
Restricted cash equivalents (note 3)	**50,751**	49,956
Other receivable	**36,378**	127,516
Short-term investments	**15,000**	15,000
Prepaid expenses	**69,078**	145,343
Marketable securities (note 4)	**904,532**	1,754,416
Total current assets	**2,399,458**	3,446,553
Non-Current		
Equity investment in associates (note 5 and 6)	**940,437**	1,285,849
Mineral exploration property acquisition costs (note 10)	**57,000**	57,000
Equipment (note 7)	**32,919**	45,653
Total assets	$ **3,429,814**	$ 4,835,055
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 9)	$ **218,934**	$ 376,134
Flow-through premium (note 14)	**165,996**	-
Total liabilities	**384,930**	376,134
SHAREHOLDERS' EQUITY		
Share capital (note 8)	**11,909,624**	11,284,034
Warrant reserve (note 8)	**155,670**	-
Contributed surplus (note 8)	**386,085**	330,650
Deficit	**(9,406,495)**	(7,155,763)
Total shareholders' equity	**3,044,884**	4,458,921
Total liabilities and shareholders' equity	$ **3,429,814**	$ 4,835,055

See accompanying notes to these financial statements.

Nature of operations and going concern (note 1)
Contingencies and commitments (note 10 and 14)

Approved on Behalf of the Board:

"Scott McLean"
Director

"Jason Marks"
Director

Transition Metals Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the year ended August 31,		2023		2022
Expenses				
Exploration and evaluation expenditures (note 9 and 10)	$	**796,488**	$	923,875
Consultant fees (note 9)		**251,561**		291,162
Depreciation (note 7)		**13,434**		18,280
Investor relations		**152,794**		94,960
Professional fees (note 9)		**167,385**		164,427
Office and general		**254,576**		264,432
Share based compensation (note 8(d) and 9)		**86,184**		-
Rent (note 9)		**44,620**		45,000
Total		**1,767,042**		1,802,136
Other Items				
Share of loss of equity investment (note 5 and 6)		**(408,160)**		(518,608)
Gain on dilution (note 5 and 6)		**62,748**		28,457
Management fee income		**-**		5,486
Interest income		**3,498**		794
Other income		**26,509**		47,667
Gain on sale of marketable securities (note 4)		**91,016**		64,585
Unrealized loss on marketable securities (note 4)		**(342,408)**		(2,040,128)
Write down of investment in SPC (note 5)		**-**		(267,965)
Loss on foreign exchange		**-**		(657)
Recovery of flow-through premium		**52,358**		-
Total other items		**(514,439)**		(2,680,369)
Net loss and comprehensive loss for the year	**$**	**(2,281,481)**	$	(4,482,505)
Net loss and comprehensive loss per share				
Basic and diluted (note 8(f))	**$**	**(0.04)**	$	(0.08)
Weighted average number of common shares outstanding				
Basic and diluted (note 8(f))		**59,486,874**		57,141,457

See accompanying notes to these financial statements.

Transition Metals Corp.
Statement of Cash Flows
(Expressed in Canadian Dollars)

For the year ended August 31,	2023	2022
Operating Activities		
Net loss for the year	**$ (2,281,481)**	$ (4,482,505)
Non-cash adjustment:		
Shares issued for property acquisitions (note 8 and 10)	**28,500**	13,000
Depreciation (note 7)	**13,434**	18,280
Property option payments received in shares (note 10)	**(17,500)**	(531,765)
Gain on sale of marketable securities (note 4)	**(91,016)**	(64,585)
Unrealized loss on investments (note 4)	**342,408**	2,040,128
Share based compensation (note 8)	**86,184**	-
Write down of investment in SPC (note 5)	**-**	267,965
Recovery of flow-through premium	**(52,358)**	-
Gain on dilution (note 5 and 6)	**(62,748)**	(28,457)
Share of loss of equity investment (note 5 and 6)	**408,160**	518,608
Net changes in non-cash working capital		
Net changes in restricted cash	**(795)**	(139)
Net changes in accounts payable and accrued liabilities	**(157,200)**	(4,958)
Net changes in other receivable	**91,138**	192,672
Net changes in prepaid expenses	**76,265**	(64,885)
Cash flows from operating activities	**(1,617,009)**	(2,126,641)
Investing Activities		
Proceeds on sale of marketable securities	**615,992**	691,606
Purchase of short-term investments	**(15,000)**	(15,000)
Proceed from short-term investment	**15,000**	-
Purchase of equipment (note 7)	**(700)**	(2,814)
Cash flows from investing activities	**615,292**	673,792
Financing Activities		
Proceeds from financing	**1,000,014**	-
Share issuance costs	**(28,900)**	-
Cash flows from financing activities	**971,114**	-
Net change in cash	**(30,603)**	(1,452,849)
Cash, beginning of year	**1,354,322**	2,807,171
Cash, end of year	**$ 1,323,719**	$ 1,354,322
Supplemental information		
Brokers warrant issued (note 8(c))	**$ 11,582**	$ -

See accompanying notes to these financial statements.

Transition Metals Corp.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	# of Common shares	Share capital	Options reserve	Warrants reserve	Deficit	Total
Balance, August 31, 2021	**57,106,389**	**$ 11,271,034**	**$ 441,800**	**$ 473,651**	**$ (3,258,059)**	**$ 8,928,426**
Shares issued for property acquisitions (note 8(c))	100,000	13,000	-	-	-	13,000
Expiry of options (note 8(d))	-	-	(111,150)	-	111,150	-
Expiry of warrants (note 8(e))	-	-	-	(473,651)	473,651	-
Net loss and comprehensive loss for the year	-	-	-	-	(4,482,505)	(4,482,505)
Balance, August 31, 2022	**57,206,389**	**$ 11,284,034**	**$ 330,650**	**$ -**	**$ (7,155,763)**	**$ 4,458,921**
Shares issued for property acquisitions (note 8(c))	350,000	28,500	-	-	-	28,500
Share based compensation (note 8(d))	-	-	86,184	-	-	86,184
Expiry of options (note 8(d))	-	-	(30,749)	-	30,749	-
Private placement (note 8(c))	9,770,750	851,638	-	148,376	-	1,000,014
Share issuance costs (note 8(c))	-	(36,194)	-	7,294	-	(28,900)
Flow-through premium liability (note 8(c))	-	(218,354)	-	-	-	(218,354)
Net loss and comprehensive loss for the year	-	-	-	-	(2,281,481)	(2,281,481)
Balance, August 31, 2023	**67,327,139**	**$ 11,909,624**	**$ 386,085**	**$ 155,670**	**$ (9,406,495)**	**$ 3,044,884**

See accompanying notes to these financial statements.

1. Nature of Operations and Going Concern

Nature of Operations

Transition Metals Corp. ("TMC" or the "Company") was incorporated federally on June 30, 1999. The Company is engaged in the acquisition and exploration of mineral exploration properties in Canada and the United States. The Company's registered office is 100 King Street West, 1 First Canadian Place, Suite 6200, Toronto, Ontario, M5X 1B8.

Going concern

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The Company raises capital and equity for working capital and exploration and development of its properties. The Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. Management believes that it has sufficient working capital to support operations for the next 12 months. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these financial statements.

2. Summary of Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by International Financial Reporting Interpretations Committee ("Interpretation Committee") that are effective for each reporting period presented.

The financial statements were approved by the board of directors on December 14, 2023.

Basis of Measurement, Presentation, and Consolidation

These financial statements have been prepared on a historical cost basis except for certain financial assets. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements are presented in Canadian dollars which is also the Company's functional currency.

2. Summary of Significant Accounting Policies (continued)

Statement of Compliance (continued)

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. These financial statements reflect the following accounting policies which have been applied consistently to all periods presented, except where disclosed.

Cash and cash equivalents

Cash and cash equivalents include cash-on-hand and balances with banks and short-term investments with original maturities of three months or less.

Revenue Recognition

Management fee revenue is recognized when the services are rendered and collectability is reasonably assured.

Interest income is recognized on the statements of loss and comprehensive loss for all financial assets measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument back to the net carrying amount of the financial asset. The application of the method has the effect of recognizing revenue of the financial instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

Investment in Associates

Associates are entities over which the Company has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments over which the Company has the ability to significantly influence are initially recorded at cost. When the initial recognition of the investment in the associate occurs as a result of a loss of control of a former subsidiary, the fair value of the retained interest in the former subsidiary on the date of the loss of control is deemed to be the cost on initial recognition. Investment loss is calculated using the equity method.

The Company's share of the associate's profit or loss is recognized in the statements of loss and its share of movements in other comprehensive loss is recognized in other comprehensive loss with a corresponding adjustment to the carrying amount of the investment. When the Company's shares of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment in associate and its carrying value and recognizes the amount in the statements of loss. The recoverable amount is the higher of value in use ("VIU") and fair value less costs of disposal ("FVLCD"). Investments in associates not traded in an active market do not have a readily available market value. In assessing the recoverable amount of such investments, a valuation technique is used if there are sufficient and reliable observable market inputs. If no such observable market inputs are available, judgement is required to establish a recoverable amount (see note 6).

Profits and losses resulting from upstream and downstream transactions between the Company and its associate are recognized in the Company's financial statements only to the extent of unrelated investors' interests in the associate. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investment in associates are recognized in the statements of loss.

2. Summary of Significant Accounting Policies (continued)

Investment in Associates (continued)

The investment account of the investor reflects:

i) The cost of the investment in the investee
ii) The investment income or loss (including the investor's proportionate share of discontinued operations) relating to the investee subsequent to the date when the use of the equity method first became appropriate; and
iii) The investor's proportion of dividends paid by the investee subsequent to the date when the use of the equity method first became appropriate.
iv) Cumulative impairment on the investment

Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred other than property interests acquired in a business combination, which are capitalized. Exploration and evaluation expenditures include acquisition costs of mineral exploration properties, property option payments and exploration and evaluation activity. Properties acquired under option agreements or by joint ventures whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized into property, plant, and equipment. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

Joint Arrangements

A joint arrangement is defined as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. There are two types of joint arrangements, joint operations (“JO”) and joint ventures (“JV”). A JO is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. A JV is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Interest in JV’s are accounted for using the equity method.

The Company recognizes its direct right to the assets, liabilities, revenues and expenses of the JO and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

As at August 31, 2023 and 2022, the Company did not have any JV’s or JO’s.

Equipment

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

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

2. Summary of Significant Accounting Policies (continued)

Equipment (continued)

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss. Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in profit or loss over the estimated useful lives as follows:

Computer equipment and software	- 2 year straight line
Exploration equipment	- 30% diminishing balance
Furniture	- 20% diminishing balance
Vehicles	- 30% diminishing balance

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets, including equipment and mineral exploration property acquisition costs are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of individual assets, the impairment test is carried out on the asset's cash-generation unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely dependent of the cash inflows from other assets. An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income.

Income Taxes

Income tax on the profit or loss for the periods presented 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 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 taxes payable with regards to previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 financial position reporting 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. At the end of each reporting year, the Company reassesses unrecognized tax deferred assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it is probable that future taxable profits will allow the deferred tax asset to be recovered.

Share-Based Payments

Where equity-settled share options or warrants are awarded to employees and consultants, the fair value of the options or warrants at the date of grant is charged to the statements of loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

2. Summary of Significant Accounting Policies (continued)

Share-Based Payments (continued)

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statements of loss over the remaining vesting period. When stock options and warrants are granted by TMC, the corresponding increase is recorded to share-based payment reserve.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of options that will eventually vest. The number of forfeitures likely to occur is estimated on the grant date.

Where equity instruments are granted to employees, they are recorded at the fair value at the grant date. The grant date fair value is recognize in the statement of loss and comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statements of loss and comprehensive loss. When the value of goods and services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

All equity-settled share based payments are reflected in share-based payment reserve, until exercised. Upon exercise, the shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital for any consideration paid.

Where cash-settled share-based payments are granted, the goods or services acquired and the liability incurred is measured at the fair value of the liability. Until the liability is settled, the fair value is re-measured at the end of each reporting period and at the date of settlement, by applying an option pricing model, with any changes in fair value recognized in profit or loss for the period. The measurement of the liability takes into account the terms and conditions on which the share appreciation rights were granted and to the extent to which the employees or consultants have rendered service to the date of measurement. Unexercised expired stock options and warrants are transferred to deficit.

Foreign Currency Transactions and Translation

The functional currency and reporting currency is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates in effect on the date of the transactions. Exchange gains and losses arising on translation are included in net (loss) income.

Provisions

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

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under contract. At each statement of financial position reporting date, provisions are reviewed and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation. The Company had no material provisions as at August 31, 2023 and 2022.

2. Summary of Significant Accounting Policies (continued)

Decommissioning Liabilities

A legal or constructive obligation to incur decommissioning liabilities may arise when environmental disturbance is caused by the exploration, development or mining of a mineral property interest. Such costs arising from the decommissioning of plant and other site work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company had no material decommissioning liabilities as at August 31, 2023 and 2022.

Loss per Share

Basic loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share is calculated by assuming that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted income per share calculation. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Options and warrants have a dilutive effect only when the average market price of the shares exceeds the exercise price of the options or warrants.

Government Assistance

The Company records the benefit of government assistance when the amounts are known and recovery is reasonably assured. These amounts are reflected in the statement of loss.

Flow-through Shares

The Company may, from time to time, issue flow through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource properties to investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company’s common shares is allocated to premium on flow-through shares liability. The reduction to the premium liability in the period of renunciation is recognized through operations.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look- back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is reflected as a financial expense.

Leases

A contract is a lease (or may contain a lease) if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lesser of the lease term and the asset’s useful life. The lease liability is subsequently measured at amortized cost using the effective interest method. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases (lease term of 12 months or less) and leases for which the underlying asset is of low value. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Summary of Significant Accounting Policies (continued)

Financial Instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit and loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit and loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVTPL or at amortized cost. Other receivable held for collection of contractual cash flows are measured at amortized cost.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of August 31, 2023 and 2022, other than restricted cash equivalents, short-term investments and marketable securities, none of the Company’s financial instruments are recorded at fair value on the statements of financial position. Marketable securities are considered as Level 1 and 3 financial instruments. Restricted cash equivalents and short-term investments are considered a Level 2 financial instrument.

Private Investments

Securities in privately held companies are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company’s management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. These are included in Level 3 as disclosed in note 13. With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described in note 13 involves uncertainties and determinations based on the Company’s judgment and any value estimated from these may not be realized or realizable. In addition to the events described in note 13, which may affect a specific investment, the Company will consider general market conditions when valuing the privately held investments in its portfolio. In the absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

2. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of (loss) income. The Company's investments in restricted cash equivalents, short-term investments and marketable securities are classified as financial assets at FVTPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of income when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership of the asset. Where substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, the Company derecognizes the transferred asset only if it no longer controls the asset. Control is represented by the practical ability to sell the transferred asset without the need to impose additional restrictions. If the Company retains control over the asset, it will continue to recognize the asset to the extent of its continuing involvement. When a financial asset is derecognized in full, a gain or loss is recognized in net income for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received, including any new assets and/or liabilities recognized.

Impairment of financial assets

The Company's only financial assets subject to impairment are other receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, other receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

2. Summary of Significant Accounting Policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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 assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income 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.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Impairment of Mineral Exploration Property Acquisition Costs

While assessing whether any indications of impairment exist for mineral exploration property acquisition costs, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral exploration property acquisition costs.

Income, Value Added, Withholding and Other Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company is also subject to tax regulations as they relate to flow-through

2. Summary of Significant Accounting Policies (continued)

Critical Accounting Estimates and Judgments (continued)

Income, Value Added, Withholding and Other Taxes (continued)

financing arrangements. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to notes 2 and 13 for further details.

Determination of Significant Influence and Impairment of Investment in Associate

The Company classified SPC as an associate based on management's judgment that the Company has significant influence through board representation and 6.20% of the voting rights as of August 31, 2023 (August 31, 2022 - 7%).

The Company has classified CGM as an associate based on management's judgment that the Company has significant influence through board representation and 20.34% of the voting rights as of August 31, 2023 (August 31, 2022 - 20.34%).

Impairment exists when the carrying value of the investment in associate exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The determination of impairment requires significant judgement and can be triggered by significant adverse changes in the market, economic or legal environment in which the associate operates.

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 behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The assumptions and models used for estimating fair value for share-based payment transactions is disclosed in note 8 (d). The expected volatility assumptions for TMC option and warrant grants are based on the historical volatility of TMC shares.

Contingencies

Refer to note 10 and 14.

2. Summary of Significant Accounting Policies (continued)

Existence of Decommissioning and Restoration Costs and the Timing of Expenditure

Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration, or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations with regulatory authorities.

Changes in accounting policies

Future Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after September 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 – In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

New standard adopted

The Company adopted the following new IFRS standards, interpretations, amendments and improvements of existing standards. The new standards and changes did not have any material impact on the Company's financial statements ae described as follows:

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (continued)

Changes in accounting policies (continued)

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The Company adopted these amendments on September 1, 2022. The amendments had no impact on the financial statement.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The Company adopted these amendments on September 1, 2022. The amendments had no impact on the financial statement.

3. Restricted Cash Equivalents

As at August 31, 2023, the Company held GICs in the aggregate amount of $50,751 (August 31, 2022 - $49,956) as security for its corporate credit cards.

4. Investment in Marketable Securities

	August 31, 2023		August 31, 2022	
Entity	**Number of Common Shares**	**Fair Value**	**Number of Common Shares**	**Fair Value**
Class 1 Nickel and Technologies Limited	823,100	$ 16,462	981,600	$ 147,240
Forum Energy Metals Corp.	5,025,000	502,500	5,100,000	867,000
Nova Royalty Corp.	25,000	37,250	200,000	338,000
Homerun Resources Inc. (note 10)	243,000	179,820	1,170,588	152,176
McFarlane Lake Mining Inc. (note 10)	900,000	63,000	1,250,000	250,000
Heritage Mining Ltd. (note 10)	100,000	5,500	-	-
West Kitikmeot Gold (note 10)	1,000,000	50,000	-	-
Rich Copper (note 10)	500,000	50,000	-	-
Total		**$ 904,532**		**$ 1,754,416**

The Company realized a gain on sale of marketable securities of $91,016 (August 31, 2022 - $64,585). The Company had an unrealized loss of $342,408 (August 31, 2022 - unrealized gain of $2,040,128).

5. Investment in SPC Nickel Corp. ("SPC")

TMC entered into a multi-year operating agreement with SPC to provide exploration services related to the Aer Kidd property, the terms of the agreement allow for the Company to earn a 10% management fee on all exploration costs incurred by SPC other than drilling to which a 3% fee was charged. The agreement concluded on December 31, 2018.

As a result of a prolonged decline in the trading price of the common shares of SPC, the Company determined that there was an impairment of $nil for the year ended August 31, 2023 (August 31, 2022 - $267,965).

As at August 31, 2023, the Company's ownership is 6.2% (August 31, 2022 – 7%). The Company has assessed that it still holds significant influence over SPC as a result of maintaining greater than 20% of the voting rights on the Board.

(Expressed in Canadian Dollars)

5. Investment in SPC Nickel Corp. ("SPC") (*continued*)

A continuity of the investment in SPC as an associate is as follows:

Balance, August 31, 2021	$	1,236,062
Gain on dilution		9,924
Share of the loss for the year		(372,100)
Impairment of investment		(267,965)
Balance, August 31, 2022	$	605,921
Gain on dilution		62,748
Share of the loss for the year		(311,090)
Balance, August 31, 2023	**$**	**357,579**

Summarized financial information for SPC as at August 31, 2023 and 2022 and for the periods then ended is as follows:

		2023		**2022**
Total assets	**$**	**2,725,497**	$	4,200,500
Total liabilities	**$**	**857,456**	$	396,674
Total equity	**$**	**1,868,041**	$	3,805,826
Net loss and comprehensive loss	**$**	**(4,354,018)**	$	(4,504,960)
Cash flows used in operating activities	**$**	**(3,901,506)**	$	(4,466,403)
Cash flows from investing activities	**$**	**20,740**	$	20,842
Cash flows from financing activities	**$**	**2,147,003**	$	2,919,986

6. Investment in Canadian Gold Miner Corp. ("CGM")

TMC has entered into a multi-year operating agreement with CGM to provide exploration services, the terms of which allow for the Company to earn a 10% management fee on all exploration costs incurred by CGM and administered through the operating agreement with the Company. The agreement concluded in February 2018.

As at August 31, 2023, the Company’s ownership is 20.34% (August 31, 2022 – 20.34%).

A continuity of the investment in CGM as an associate is as follows:

Balance, August 31, 2021	$	807,903
Gain on dilution		18,533
Share of the loss for the year		(146,508)
Balance, August 31, 2022	$	679,928
Share of the loss for the year		(97,070)
Balance, August 31, 2023	**$**	**582,858**

Summarized financial information for CGM as at August 31, 2023 and 2022 and for the periods then ended is as follows:

		2023		**2022**
Total assets	$	316,333	$	539,958
Total liabilities	$	805,364	$	610,028
Total deficiency	$	(489,031)	$	(70,070)
Net loss and comprehensive loss	$	(421,628)	$	(719,241)
Cash flows used in operating activities	$	(227,919)	$	(651,756)
Cash flows from investing activities	$	54,759	$	84,171
Cash flows (used in) from financing activities	$	(20,264)	$	50,602

(Expressed in Canadian Dollars)

6. Investment in Canadian Gold Miner Corp. ("CGM") (continued)

In assessing the recoverable amount of CGM, a junior mining company that holds exploration mining properties, a cost approach was applied. A significant portion of CGM's entity value is in its exploration mining properties. The appraised value method was used in estimating the fair value of these exploration properties. The appraised value method is based on meaningful past exploration expenditures plus warranted future costs. Significant inputs include retained portion of past expenditures and estimation of warranted future costs. For the year-ended August 31, 2023, $nil was recorded as an impairment (August 31, 2022 - $nil).

7. Equipment

	Furniture	Vehicles	Exploration Equipment	Total
Cost				
Balance, August 31, 2021	$ 32,906	$ 177,705	$ 56,304	$ 266,915
Additions	-	-	2,814	2,814
Balance, August 31, 2022	32,906	177,705	59,118	269,729
Additions	700	-	-	700
Balance, August 31, 2023	$ 33,606	$ 177,705	$ 59,118	$ 270,429
Accumulated depreciation and impairment				
Balance at August 31, 2021	$ 29,727	$ 124,155	$ 51,914	$ 205,796
Additions	560	16,603	1,117	18,280
Balance at August 31, 2022	30,287	140,758	53,031	224,076
Additions	524	11,084	1,826	13,434
Balance at August 31, 2023	$ 30,811	$ 151,842	$ 54,857	$ 237,510
Net book value August 31, 2022	$ 2,619	$ 36,947	$ 6,087	$ 45,653
Net book value August 31, 2023	$ 2,795	$ 25,863	$ 4,261	$ 32,919

8. Share Capital

a) Authorized

An unlimited number of common shares with no par value
An unlimited number of preferred shares, non-voting, non-participating, retractable, redeemable

b) Common shares issued

At August 31, 2023, the issued share capital amounted to $11,909,624 (August 31, 2022 - $11,284,034).

c) Transactions

Year ended August 31, 2023

The Company issued 200,000 shares based on the quoted market price for a total value of $15,000 in satisfaction of an exploration property option payment (see note 10).

The Company issued 150,000 shares based on the quoted market price for a total value of $13,500 in satisfaction of an exploration property option payment (see note 10).

(Expressed in Canadian Dollars)

8. Share Capital (continued)

c) Transactions (continued)

Year ended August 31, 2023 (continued)

On June 19, 2023, the Company announced its completion of a brokered private placement, issuing 9,770,750 units of shares for a gross proceed of $1,000,014 which included; (i) 1,897,000 units at a price of $0.08 per unit for gross proceed of $151,760; (ii) 4,250,000 flow-through units (the "FT Units") at a price of $0.10 per FT unit for aggregate proceeds of $425,000 and; (iii) 3,623,750 special flow through units in the capital of the Corporation (the "Special FT Units") at a price of $0.1168 per Special FT Unit for aggregate proceeds of $423,254 (collectively, the "Private Placement"). Each Unit consists of a common share and half (1/2) common share purchase warrant. Each FT Unit and Special FT unit consists of a flow-through share and half (1/2) common share purchase warrant. A flow-through premium of $218,354 was recorded in connection with this financing. A related party subscribed to 159,500 units issued for proceeds of $12,760 as part of the private placement.

Each full warrant will entitle the subscriber to purchase one additional common share for a price of $0.15 until the second anniversary of the closing date of the offering. A fair value of $148,377 was estimated using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 4.20%; share price of $0.075; expected life of 2 years; expected volatility of 119% based on Company's historical trading data.

In connection with the flow-through offering, the Company paid commissions of an aggregate of 324,750 finder warrants and cash finder fees of $28,900. Each finder warrants will entitle the holder thereof to purchase one share at an exercise price of $0.15 per finder warrant for a period of 24 months from closing of the offering. A fair value of $11,582 was estimated using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 4.20%; share price of $0.075; expected life of 2 years; and an expected volatility of 119% based in the Company's historical trading data.

Year ended August 31, 2022

The Company issued 100,000 shares based on the quoted market price for a total value of $13,000 in satisfaction of exploration property option payments (see note 10).

d) Stock Options

The Company has an Omnibus Incentive compensation plan that includes a stock option plan (the "Plan") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 10% of the total issued and outstanding common shares of the Company. These options are non-transferable and are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at a minimum of the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

At August 31, 2023, the following options were outstanding and available to be exercised:

Number Exercisable	Number Outstanding	Exercise Price	Expiration	Remaining Years	Grant Date Fair Value
1,195,000	1,195,000	$0.10	January 9, 2024	0.36	$0.07
1,850,000	1,850,000	$0.155	December 18, 2025	2.30	$0.12
1,393,750	1,400,000	$0.070	September 29, 2027	4.08	$0.0575
4,438,750	4,445,000			2.34	

(Expressed in Canadian Dollars)

8. Share Capital (continued)

d) Stock Options (continued)

On September 29, 2022, the Company granted 1,500,000 incentive stock options to directors, management and employees of the Company, exercisable at $0.07 per share for a period of 5 years. The grant date fair value of $86,212 or $0.0575 per option was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 5 years, expected volatility of 116%, expected dividend yield of 0%, and a risk free interest rate of 3.32%. 1,475,000 vested immediately, while the remaining 25,000 will vests in increments (6,250 on December 29, 2022; 6,250 on March 29, 2023; 6,250 on June 29, 2023; 6,250 on September 29, 2023). During the year ended August 31 2023, the Company recorded $86,184 related to the vesting of these options.

During the year ended August 31, 2023, 350,000 (August 31, 2022 - 810,000) stock options with a Black-Scholes value of $30,749 (August 31, 2022 - $111,250) expired with exercise prices between $0.07 and $0.15 (August 31, 2022 - $0.10 and $0.20).

A summary of stock option activity during the periods ended August 31, 2023 and 2022 is as follows:

	Number of Outstanding Options	Weighted Average Exercise Price ($)
Outstanding - August 31, 2021	4,105,000	0.14
Expired	(810,000)	0.17
Outstanding - August 31, 2022	3,295,000	0.13
Issued	1,500,000	0.07
Expired	(350,000)	0.10
Outstanding - August 31, 2023	4,445,000	0.11

e) Warrants

At August 31, 2023, the following warrants to purchase common shares were outstanding and available to be exercised:

Issue Date	Number of Warrants	Adjusted Exercise Price	Expiration	Remaining Years
June 16, 2023	5,210,125	$ 0.15	June 16, 2025	1.79

A summary of warrant activity during the years ended August 31, 2023 and 2022 is as follows:

	Number of Outstanding Warrants	Weighted Average Exercise Price ($)
Outstanding - August 31, 2021	10,351,024	0.21
Expired	(10,351,024)	0.21
Outstanding - August 31, 2022	-	-
Issued (note 8(c))	5,210,125	0.15
Outstanding - August 31, 2023	5,210,125	0.15

f) Basic and Diluted Loss per Share

The total number shares issuable from options and warrants are excluded from computation of diluted loss per share for the years ended August 31, 2023 and 2022, because their effect would be anti-dilutive. The weighted average number of common shares outstanding was 59,486,874 (2022 - 57,141,457).

(Expressed in Canadian Dollars)

9. Related Party Balances and Transactions

a) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the periods ended August 31, 2023 and 2022 was as follows:

	August 31, 2023	August 31, 2022
Short term benefits (i)	$ 424,076	$ 449,038
Share based payments	63,222	-
Accounting fees	39,677	48,405
	$ 526,975	$ 497,443

(i) Short term benefits are included in consultant fees and exploration and evaluation expenditures. Accounts payable and accrued liabilities as at August 31, 2023, is $49,820 (August 31, 2022 $54,456) owing to officers and management of TMC. The amounts are unsecured, non-interest bearing, and are due on demand.

During the year ended August 31, 2023, the Company paid professional fees of $39,677 (August 31, 2022 - $48,405), to Marrelli Support Services, a Company controlled by the Chief Financial Officer of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at August 31, 2023, Marrelli Support was owed $7,500 (August 31, 2022 - $nil) with respect to services provided. The amounts are unsecured, non-interest bearing, and are due on demand.
During the year ended August 31, 2023 the Company charged $6,075 (August 31, 2022 - $nil) rental fees to CGM and the Company paid $37,100 in rent expenses to SPC (August 31, 2022 - $31,800).

b) See also Notes 5, 6 and 8.

10. Exploration Properties

As at August 31, 2023, the capitalized balance of mineral exploration property acquisition costs totaling $57,000 (2022 – $57,000) are as follows: Homathko - $52,000 (2022 – $52,000), Doherty Lake - $5,000 (2022 – $5,000).

Summary of exploration and evaluation expenditures (recoveries) for the years ended August 31, 2023 and 2022:

Property	2023	2022
New project generation expenditures	$ 60,998	$ 64,100
Janice Lake	-	435
Wollaston (d)	7,909	220,304
Sunday Lake (e)	7,105	1,180
Saturday Night (f)	5,428	1,118
Highland Gold (g)	3,335	17,035
Maude Lake (h)	393,716	247,094
Cryderman (i)	838	20,664
Fostung (j)	3,145	19,932
Aylmer (k)	(98,139)	223,453
Pike Warden (l)*	379,267	97,009
Other (m) *	32,886	10,433
Dundonald	-	1,118
Totals	$ 796,488	$ 923,875

10. Exploration Properties (continued)

* The Company has reclassified the Duntara and Eva Kitto properties to be included in other category and reclassified the Pike Warden property to be presented as a distinct property in order to reflect the Company's current exploration focus.

a) Gowganda Gold

The Company holds an interest in certain mining claims in Nicol, Haultain, and Van Hise townships in the Larder Lake Mining District near the town of Gowganda, Ontario.

Pursuant to a First Nations Memorandum of Understanding ("MOU") there is a 2% commitment to the First Nations on all exploration and evaluation expenditures and up to a $15,000 commitment per year to fund an Environmental/Elders Committee.

On March 12, 2019, the Company executed an option and joint venture agreement with Battery Minerals Resources Limited ("Battery") whereby Battery could earn up to an 80% interest in the Gowganda Gold project. To earn a 60% interest, Battery needed to provide option payments totaling $600,000 over 3 years ($200,000 received) and complete $3,400,000 of exploration expenditures over 3 years including a commitment of $400,000 during the first year. Upon vesting a 60% interest, Battery could have increased its interest to 80% by delivering a feasibility study within three years subject to certain time extension provisions. After earning its 60% or 80% interest in the property, a joint venture would have been formed, with each party funding its proportionate share of future work programs or suffering dilution of interest.

On March 1, 2021 the agreement was amended whereby the 2nd years expenditure requirement was waived and total expenditures to earn 60% were reduced to $2,400,000 in exchange for a cash payment of $150,000 (received) and the transfer of all gold claims owned by Transition under the Option agreement and those held solely by Battery to the Company. In addition the requirement for Battery to expend 25% of Exploration expenditures under the option was removed.

On March 3, 2022, Battery Minerals notified the Company that it was terminating the Agreement and all property and data controlled by Battery was returned to TMC.

b) Pipestone – Optioned to Gowest Gold Ltd.

This group of properties located in the Wark, Prosser, Little and Evelyn townships in Ontario, is wholly owned by the Company. On April 27, 2011 and as amended February 3, 2014, the Company entered into an option and joint venture agreement with Gowest Gold Ltd. ("Gowest") that provided Gowest with the option to acquire a 60% interest or 75% interest in the property. On April 25, 2016, Gowest acquired 60% interest in the property and trigger a 60:40 joint venture with the Company.

c) Nunavut Resources Corporation Strategic Alliance

On March 5, 2012, the Company and Nunavut Resources Corp ("NRC") executed a strategic alliance agreement ("Alliance") to jointly generate and explore mineral properties in the Kitikmeot Region of Nunavut.

On August 12, 2019, the NRC Alliance was terminated and all projects generated under the Alliance were assigned to West Kitikmeot Gold, ("WKG") a private subsidiary of Nunavut Resources Corporation. The Company converted its interest in the projects to 1,000,000 shares of WKG that represents 10% of the seed shares of WKG. The Company received 1,000,000 shares and it was valued at $50,000 (See Note 4).

d) Wollaston, Saskatchewan

In May 2020 the Company staked certain claims in the Wollaston Basin Copper Belt northern Saskatchewan.

In October of 2020, the Company assigned a 1% NSR on the Wollaston Copper project to Nova Royalties Corp.

10. Exploration Properties (continued)

e) Sunday Lake

On February 1, 2014, the Company entered into an agreement with Impala Platinum Holdings Inc. (“Implats”), which assigned 100% of rights and interests in properties generated under a strategic alliance to the Company, with the exception of the Sunday Lake Property subject to a 1.0% to 1.5% NSR royalty held by Implats. Currently the Sunday Lake Property is held 25% (free carried interest to completion of a feasibility study) by the Company, 64.99% by Impala Canada, and 10.01% by Implats (the "Sunday Lake JV").

The property is subject to a number of underlying agreements noted below:

Parcels 19889, 19890 and eight claims are subject to an option agreement between the Sunday Lake JV and Rio Tinto Explorations Canada Inc. (“RTEC”) dated May 10, 2013. Under the terms of the option agreement, the Sunday Lake JV acquire a 100% interest in the properties by making payments to RTEC totaling $350,000 (paid) by the third anniversary of the agreement, subject to a payment of $3,500,000 upon commercial production with an additional payment of $1,500,000 on or before the first anniversary of commercial production. The Company’s interest in the optioned properties is also subject to a 1.5% NSR held by RTEC, of which 0.5% can be purchased for $1,000,000. On June 14, 2016, the final payment to RTEC was made thus vesting the Sunday Lake JV 100% interest in the property grouping subject to the pre-production royalty payments and associated NSR noted above.

Parcel 19889, is subject to an underlying agreement between RTEC and a Vendor that allows the Sunday Lake JV to conduct mineral exploration on the property by making annual rental payments of $1,132 with an option to purchase the surface and mineral rights by paying the vendors 1.5 times the fair market value of the premises subject to a 1% NSR, of which the Sunday Lake JV can purchase 0.5% for $250,000. This agreement was extended to January 1, 2019. Under the terms of extension, the Company made a $20,000 payment on signing. This agreement was further extended to January 1, 2021. Under the terms of the second extension, the Sunday Lake JV made a $50,000 payment on signing. Effective January 1, 2021 this agreement was further extended until January 1, 2024 under the terms of the third extension the Sunday Lake JV must make annual rent payments of $25,000.

Parcel 6056 and one claim are subject to an assignment agreement between the Sunday Lake JV and RTEC dated March 25, 2013 and underlying agreements between RTEC, Peter DeRozea and the Sunday Lake Syndicate. Under the terms of this agreement, the Sunday Lake JV can earn a 100% interest by making cash payments totaling $250,000 by March 31, 2014, subject to a 3% NSR held by the Vendors. Upon vesting, pre-production royalty payments of $40,000 per year to a total of $200,000 were due, the total of which will be deducted from future production based NSR payments. The Sunday Lake JV maintains the right to purchase 2% of the NSR from DeRozea and the Sunday Lake Syndicate for $2,000,000. During the year ended August 31, 2016, a $140,000 payment to the Sunday Lake Syndicate was made thus vesting the Joint Venture’s 100% interest in the property grouping subject to the pre-production royalty payments and associated NSR noted above. From April 22, 2017 to April 22, 2021, yearly pre-production royalty payments of $40,000 were made to the vendors totaling $200,000. No further payments to the Vendors are required.

On January 23, 2014, the Sunday Lake JV entered into an option to purchase agreement with a private land owner near Sunday Lake. Under the terms of the agreement, the Sunday Lake JV was required to make bi-annual lease payments of $3,725 until July 2018. The Sunday Lake JV retains the right during the option period to purchase a 100% interest in the surface and mineral rights of the property for 1.5 times the fair market value of the unimproved property, subject to a 1% NSR, of which the Sunday Lake JV can purchase back 0.5% for $500,000. This agreement was been extended for a further three years until January 24, 2022. Under the terms of the extension agreement, the Sunday Lake JV made bi-annual lease payments of $3,725 until July 2021.

In June of 2017, the Company entered into an option agreement with joint venture partner Implats and North American Palladium Ltd. (“NAP”) whereby NAP had the right to acquire Implats’ 75% ownership in the Sunday Lake Project by completing work commitments totaling $4,500,000 and making cash payments of $3,500,000 over a five year period according to the following schedule: Stage 1: NAP may acquire a 51% controlling interest

10. Exploration Properties (continued)

e) Sunday Lake (continued)

in the property by completing $1,500,000 of exploration expenditures and making cash payments of $75,000 to the Company and $675,000 to Implats within a two year period (completed); Stage 2: NAP may increase its interest from 51% to 65% by completing an additional $2,500,000 of exploration expenditures and making further cash payments of $125,000 to the Company and $1,125,000 to Implats within a two year period (completed); and Stage 3: NAP may further increase its interest from 65% to 75% by completing an additional $500,000 of exploration expenditures and making final cash payments of $150,000 to the Company and $1,350,000 to Implats within a one year period. The Company retained a 25% free carried interest until the completion of Feasibility Study.

Subsequent to the NAP option agreement execution and completion of Stage 2, Implats purchased NAP and assigned the NAP interest to a wholly owned subsidiary called Impala Canada. On October 15, 2021, Impala Canada notified the Company that it does not intend to complete Stage 3.

f) Thunder Bay – Saturday Night, Owl Lake, Nabish Lake

At August 31, 2023, the Company maintained a 100% interest in property groupings in the Thunder Bay Mining District for which it is seeking partners. These properties include Saturday and Lake Nabish.

In October of 2020, the Company assigned a 1% NSR on the Saturday Night project to Nova Royalties Corp.

In December of 2021, the Company entered into an Option Agreement to sell a 100% interest in the Nabish Lake project to Heritage Mining Ltd. (Heritage) in consideration of $10,000 cash on signing (received), and $10,000 cash (received) and 100,000 common shares (received) of Heritage valued at $17,500 on the date Heritage became publicly listed. The Company received these amounts on September 1, 2022.

g) Highland Gold, Nova Scotia

On August 20, 2018, the Company entered into an option agreement to acquire a 100% interest in the Highland Gold property located in Nova Scotia. The Company has since completed additional staking. On April 1, 2020 the Company was informed that no further approvals for work on the property would be granted until such time as the Government of Nova Scotia concluded consultations with First Nations. On July 29, 2020 the option agreement was amended such that all future requirements under the option agreement were suspended until all permits to continue exploration have been received by the Company. The Company made cash payment of $7,500 (to be credited towards the cash portion of the option agreement consideration) on or before April 1 each year during the suspension.On August 17, 2023, the Company declared Force Majeure and discontinued making annual payments to the Vendor.

To earn a 100% interest, the Company is required to make cash payments of $170,000 over four years ($65,000 paid), issue $175,000 worth of common shares of the Company (241,325 common shares issued based on VWAP pricing estimated to be worth $65,000 at the time of issuance) over four years and incur exploration expenditures of $1,500,000 over five years.

The agreement also provides for a milestone payment by the Company of $500,000 in cash or shares within 90 days after a commercial production decision. If by the 8th anniversary of the agreement no production decision has been made, a milestone prepayment of $25,000 per year must be paid to the optionee capped at a total payment of $500,000. Upon exercise of the option the property is subject to a 1.0% NSR of which the Company can purchase 1.0% of the NSR for $1,250,000. The optionee has been granted a 1.0% NSR on the adjacent company staked Claims. The Company retains the right to purchase from the optionee the Company granted 1.0% NSR on the adjacent properties for $500,000.

10. Exploration Properties (continued)

h) Maude Lake

The Company acquired certain claims in the Maude Lake property located in Ontario through an option agreement. The Vendor retained a 2% NSR. TMC reserves the right to buy back 1.5% of the NSR at any time for $2,000,000.

In October of 2020, the Company assigned a 1% NSR on the project to Nova Royalties Corp.

i) Cryderman

The Company acquired certain claims in the Cryderman Lake property located in Ontario through an option agreement. The Vendor retained a 1.5% NSR. TMC reserves the right to buy back 0.5% of the NSR at any time for $1,000,000.

j) Fostung

The Company staked and acquired certain claims in the Fostung property located near the town of Espanola, southwest of Sudbury, Ontario.

CJP Exploration Inc. retains a 1% NSR on the property with the Company retaining the right to buy back 0.5% NSR for $500,000.

On July 24, 2020, the Company executed an option and joint venture agreement with 1930153 Ontario Ltd. ("Ontario Ltd.") whereby Ontario Ltd can earn a up to an 100% interest in the Fostung project. To earn a 50% interest, Ontario Ltd. must provide option payments totaling $110,000 over 4 years ($60,000 received) Ontario Ltd must complete $500,000 of exploration expenditures over 4 years. Ontario Ltd may increase its interest to 80%, the buy-up option, by making additional cash payments of $500,000 and incurring an additional $1,500,000 of exploration expenditures prior to the second anniversary of the buy-up option.

Ontario Ltd may then further increase its interest to 100%, the second buy-up option, by making additional cash payments of $4,500,000 prior to the second anniversary of the second buy-up option. Upon exercise of the second buy-up option the company will be granted a NSR Royalty of 2.0%.

k) Aylmer

On May 11, 2020, the Company announced that it had entered into an agreement to earn a 100% interest in the Aylmer IOCG property by making aggregate cash payments of $102,000; ($37,000 paid) issuing an aggregate total of 625,000 (225,000 issued) common shares; and incurring exploration work expenditures totaling $900,000 by May 4, 2024. If the Company exercises its option the Vendors will retain a 2.0% Net Smelter Return Royalty (NSR) from any Commercial Production from the property for which TMC may purchase 1.0% of the NSR for $1,000,000 at any time. On May 4, 2023 the Agreement was amended to defer 2023 payments and shares issuances for one year by making a cash payment of $2,500.

l) Pike Warden - Yukon Territory

On June 28, 2022, the Company announced that it had entered into an option agreement to acquire a 100% interest in the Pike Warden Au-Ag-Cu Property located southwest of Whitehorse. Pursuant to an option agreement with the Vendor, Transition retains the option to earn a 100% interest in the property by issuing $150,000 in cash ($55,000 paid), 1,000,000 shares to the Vendor (350,000 issued) and completing an aggregate of $1,000,000 in work over a 4-year period. If the Company vests its interest, the Vendor will retain a 1% Net Smelter Return royalty (NSR) and a $1,500,000 Milestone Payment to be paid within 6 months following Commercial Production being achieve from the Property.

10. Exploration Properties (continued)

m) Other

As at August 31, 2023, the Company maintained additional ownership interests located in Ontario, Saskatchewan and British Columbia as follows:

Homathko, British Columbia

The Homathko property consists of 100% owned staked claims in British Columbia. In December, 2020, the Company optioned the Property to Homerun Resources Inc. ("Homerun"). Homerun could have earn 100% interest in the Property by providing $10,000 on signing (received), 700,000 shares within six months (received) and a further $140,000 worth of shares within 3 years. The Company would have retained a 1.0% NSR of which 0.5% can be purchased by Homerun Resources for $1,000,000.

In October of 2020, the Company assigned a 1% NSR on the project to Nova Royalties Corp.

During November 2021, 700,000 shares of Homerun Resources were issued to the Company in accordance with the property agreement.

On January 27, 2022, the agreement with Homerun was amended. Under the terms of the amendment, the area of interest was expanded. In addition, the royalty was increased from 1.0% NSR (with a buy back option for Homerun of 0.5% NSR for $1,000,000) to 1.5% NSR (with a buy back option for Homerun of 0.75% NSR for $1,000,000)

During April 2022, 470,588 shares of Homerun Resources were issued to the Company in accordance with the property agreement. The contract was terminated in September 6, 2022 and the property was returned to the Company.

On December 19, 2022 the Company entered into an option agreement with Aurum Lake Mining (Aurum). Under the terms of the agreement, Aurum must pay a total of $470,000 in optional cash payments over two years; $20,000 (received) on signing; additional $100,000 following exchange acceptance (the Effective Date); $150,000 on the first anniversary of the Effective Date; and $200,000 on the second anniversary of the Effective Date. In addition, Aurum must incur work expenditures on the Property totaling $500,000 over two years and make a one-time $5,000,000 lump sum payment to the Optionor upon the commencement of commercial production. Upon vesting an interest in the property, Transition will be granted a 2.0% NSR.

Porterville and Lewisporte, Newfoundland

The Porterville and Lewisporte properties consisted of staked claims in Newfoundland. During the year ended August 31, 2023 the claims were allowed to lapse.

Duntara

The Company staked a new copper property known as the Duntara Copper in Eastern Newfoundland. The Company retains a 100% interest in this property.

Thompson, British Columbia

The Thompson property consists of staked and optioned claims located in the Vernon Mining Division, southeastern British Columbia. The optioned claims are subject to an agreement whereby the Company can earn a 100% interest in exchange for optional payments of $100,000 ($10,000 paid) and the issuance of 250,000 common shares of the Company over 4 years subject to a 1.5% NSR retained by the Optionors. Under this agreement the Company retains the option to purchase 0.5% NSR back from the Vendors at any time for $1,000,000. The program is currently suspended as the Company is waiting on the grant of permits.

10. Exploration Properties (continued)

m) Other (continued)

Mongowin, Ontario

On June 14, 2021 the Company announced that it had entered into a binding Letter of Intent (LOI) with McFarlane Lake Mining Incorporated (“MFM”) whereby MFM can purchase a 100% interest in mining claims and patents in the Mongowin Township. Under the terms of the LOI, MFM paid XTM $15,000 upon signing for a 5-month period of exclusivity to assign the Property to a public vehicle (“Pubco”) and complete due diligence. Upon completion of the period of exclusivity, Transition received an additional payment of $85,000 and $500,000 worth of common stock in Pubco prior to transferring the Property. In addition, Transition was granted a 1.5% net smelter return royalty from commercial production from the Property, a $2,500,000 milestone payment upon commencement of commercial production and non-refundable, advanced royalty payments of $25,000 per year following the 5th year of the execution of a Definitive Agreement for up to 10 years following the date of the agreement.

On February 1, 2022 the Company announced that it had sold its 100% interest in its Mongowin project to MFM. Pursuant to the purchase and sale agreement with MFM, Transition received total consideration consisting of $145,000 cash, 1,2500,000 shares of MFM and a 1.5% Net Smelter Return royalty (NSR) from any commercial production from the Property.

Bancroft (NI-CU-PGM's)

The Bancroft project is a greenfield exploration project that has seen the benefit of approximately $5.0 million in exploration expenditures. The property consists of certain mining claims located in the Southern Mining district near Bancroft, Ontario.

In October of 2020, the Company assigned a 1% NSR on the project to Nova Royalties Corp.

Jolly Gold, Northwest Ontario

On November 24, 2020, the Company announced that it has entered into an option agreement to acquire a 100% interest in certain contiguous mining claims near Thunder Bay and has additionally staked new claims of the Beardmore-Geraldton Greenstone Belt. The terms of the option agreement on certain claims grant the Company the option to earn a 100% interest in the optioned claims by issuing $175,000 in cash to the Vendors ($50,000 paid) and by completing an aggregate of $250,000 in work expenditures over a 4-year period. If the Company vests its interest, the Vendors will retain a 2% NSR with Transition retaining the right to buy back 1% NSR for $500,000 and the remaining 1% NSR for an additional $1.5 million. On November 2022, an amendment to the option agreement was made to issue $180,000 in cash to the Vendors over a 5- year period.

Island Copper - Ontario

On January 25, 2021, the Company announced that it had granted an option on its Island Copper project to Rich Copper Exploration Corp (“Rich Cu”), a private corporation. Under the terms of the Agreement, Rich Cu could have vested a 100% interest in the Property by providing Transition with $150,000 cash over 3 years ($25,000 received), 500,000 shares on signing (received) and an additional $475,000 worth of shares over the following 3 years as well as completion of $750,000 in exploration expenditures. Transition would have received a 2.5% Net Smelter Return royalty on any future production from the Property and within a 5 kilometre area of interest. In addition, Transition was entitled to milestone payments of $1,000,000 upon Rich Cu or its assigns completing a Feasibility Study and an additional payment of $5,000,000 within 12 months of commencement of Commercial Production. Rich Cu can purchase 1% of the NSR for $1,000,000 anytime prior to commercial production.

The property was returned to the Company and the option agreement with Rich Copper was terminated on January 6, 2022.

(Expressed in Canadian Dollars)

11. Income Taxes

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (August 31, 2022 - 26.5%) were as follows:

	2023	2022
Income before income taxes	(2,281,481)	(4,482,505)
Expected income tax (recovery) expense based on statutory rate	(605,000)	(1,188,000)
Adjustment to expected income tax benefit:		
Share based compensation	34,000	-
Capital gains	23,000	263,000
Expenses not deductible for tax purposes	101,000	2,000
Other	(25,000)	99,000
Change in unrecorded deferred tax asset	472,000	824,000
Deferred income tax (recovery) provision	-	-

b) Deferred Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2023	2022
Non-capital loss carry-forwards	$ 550,000	$ 75,000
Share issuance costs	60,000	58,000
Exploration properties	7,171,000	6,353,000
Other	1,434,000	432,000
	$ 9,215,000	$ 6,918,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

As at August 31, 2023, the Company has available $550,000 (2022 - $75,000) in non-capital losses for Canadian income tax purposes which may be carried forward to reduce taxable income in future periods. The tax losses expire between 2042 and 2043.

Exploration property expenditure pools do not expire under current legislation

c) Investment in Associate

The aggregate amount of taxable temporary differences associated with investments in associates' tax liabilities as at August 31, 2023 is $nil (August 31, 2022 - $nil). No deferred taxes are recognized on the temporary differences related to investment in associates.

(Expressed in Canadian Dollars)

12. Capital Management

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the period ended August 31, 2023 and 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is dependent on its strategic alliance partners as well as on the capital markets to finance exploration and development activities.

13. Financial Instruments and Financial Risk Factors

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in level one.
- Level Three - includes inputs that are not based on observable market data.

The financial instruments that are not measured at fair value on the statement of financial position include cash, other receivables and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

The following table illustrates the classification of the Company's financial instruments, measured at fair value in the statements of financial position as of August 31, 2023 and August 31, 2022 categorized into the levels of the fair value hierarchy.

August 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Aggregate Fair Value**
Marketable securities	$ 1,754,416	$ -	$ -	$ 1,754,416
Restricted cash equivalents	-	49,956	-	49,956
Short-term investment	-	15,000	-	15,000
Total	$ 1,754,416	$ 64,956	$ -	$ 1,819,372
August 31, 2023				
Marketable securities	$ 804,532	$ -	$ -	**$ 804,532**
Private investments, included in marketable securities	-	-	100,000	**100,000**
Restricted cash equivalents	-	50,751	-	**50,751**
Short-term investment	-	15,000	-	**15,000**
Total	**$ 804,532**	**$ 65,751**	**$ 100,000**	**$ 970,283**

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the years ended August 31, 2023 and August 31, 2022 ($nil). These financial instruments are measured at fair value utilizing non-observable market inputs.

(Expressed in Canadian Dollars)

13. Financial Instruments and Financial Risk Factors (continued)

Investments, fair value		2023		2022
Balance, beginning of the year	$	-	$	-
Additions (note 10)		100,000		-
Total	$	100,000	$	-

Within level 3, the Company includes private company investments that are not quoted on a exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company specific information, trend in general market conditions and the share performance of comparable publicly-traded companies.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within level 3 for the year end August 31, 2023.

August 31,2023

Description	*Fair value*	*Valuation technique*	*Significant unobservable units*
Rich Copper	50,000	Recent financing	Marketability of shares
West Kitimeot Gold	50,000	Recent financing	Marketability of shares
	100,000		

As valuations of investments for which market quotations are not readily available, are inherently uncertain they may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no material changes in these risks, objectives, policies and procedures during the years ended August 31, 2023 and 2022.

Credit Risk

The Company's credit risk is primarily attributable to its other receivable. Other receivable consist primarily of sales taxes due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to financial instruments included in other assets is low. The Company believes that there are no credit risk associated with any customer.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2023, the Company has current assets totaling $2,399,458 (August 31, 2022 – $3,446,553) to settle current liabilities of $218,934 (August 31, 2022 - $376,134).

The following are the contractual maturities of financial liabilities as at August 31, 2023:

	Carrying amount	within 1 year	1-3 years	4+ years
Account payable and accrued liabilities	$ 218,933	$ 218,933	$ -	$ -

The following are the contractual maturities of financial liabilities as at August 31, 2022:

	Carrying amount	within 1 year	1-3 years	4+ years
Account payable and accrued liabilities	$ 376,134	$ 376,134	$ -	$ -

13. Financial Instruments and Financial Risk Factors (continued)

Price Risk

The Company is exposed to price risk with respect to commodity prices. The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

Other price risk typically arises from exposure to equity and commodity securities. If the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant the investment value could have increased or decreased by approximately $184,497 (August 31, 2022 - $304,027).

Interest Rate Risk

The Company does not currently have any outstanding variable interest bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuation in the prime interest rate.

14. Commitments and Contingencies

Environmental Contingencies

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through Expenditures

From time-to time, the Company and its associates enter into flow-through financings and indemnify the subscribers of flow-through shares for any tax related amounts that become payable by the subscriber. In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, from time to time, certain matters are reviewed and challenged by the tax authorities. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities.

Flow-Through Commitment

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flowthrough contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. The Company is committed to incur flow-through eligible expenditures of $848,254 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2024 arising from flow-through offerings, of which approximately $203,397 has been incurred to August 31, 2023 with a balance of $644,857 to be spent.