Hawthorn Resources Corp.

Financial Statements
(Expressed in Canadian Dollars)

For the years ended July 31, 2024 and 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Hawthorn Resources Corp.

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred losses since inception and has an accumulated deficit of $725,494. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

October 25, 2024

Hawthorn Resources Corp.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	July 31, 2024	July 31, 2023
ASSETS		
Current		
Cash	$ 11,613	$ 136,768
Receivables and prepaids (Note 4)	-	19,806
	11,613	156,574
Exploration and evaluation asset (Note 5)	69,500	59,500
	$ 81,113	$ 216,074
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 122,787	$ 66,662
Shareholders' equity (deficit)		
Share capital (Note 6)	665,016	655,016
Reserves (Note 6)	18,804	18,804
Deficit	(725,494)	(524,408)
	(41,674)	149,412
	$ 813,113	$ 216,074

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board on October 25, 2024

"Daniel Joyce"
Daniel Joyce - Director

"Samantha Shorter"
Samantha Shorter - Director

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

Hawthorn Resources Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the year ended July 31,		2024		2023
EXPENSES				
Exploration expenses (Note 5)	$	100,310	$	8,500
Management fees		20,000		48,000
Office and rent		5,941		19,724
Professional fees (Note 7)		57,121		134,906
Project investigation		-		62,552
Transfer agent, listing and filing fees		17,714		17,111
Loss and comprehensive loss for the year	$	201,086	$	290,793
Basic and diluted loss per common share	$	(0.01)	$	(0.02)
Weighted average number of common shares outstanding – basic and diluted		15,943,288		12,868,219

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

Hawthorn Resources Corp.
Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, July 31, 2022	10,610,000	254,500	$ -	$ (233,615)	$ 20,885
Shares issued for cash	5,000,000	500,000	-	-	500,000
Share issue costs	-	(110,180)	-	-	(110,180)
Agent options issued	-	(18,804)	18,804		-
Shares issued as finders' fees	100,000	10,000	-	-	10,000
Shares issued as property acquisition costs	150,000	19,500	-	-	19,500
Loss for the year	-	-	-	(290,793)	(290,793)
Balance, July 31, 2023	15,860,000	$ 655,016	$ 18,804	$ (524,408)	$ 149,412
Shares issued as property acquisition costs	200,000	10,000	-	-	10,000
Loss for the year	-	-	-	(201,086)	(201,086)
Balance, July 31, 2024	16,060,000	$ 665,016	$ 18,804	$ (725,494)	$ (41,674)

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

Hawthorn Resources Corp.
Statements of Cash Flows
(Expressed in Canadian dollars)

For the year ended July 31,		2024		2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(201,086)	$	(290,793)
Changes in non-cash working capital items:				
Receivables and prepaid expenses		19,806		(15,093)
Accounts payable and accrued liabilities		56,125		(124,582)
Net cash used in operating activities		(125,155)		(430,468)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of exploration and evaluation assets		-		(25,000)
Net cash used in investing activities		-		(25,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares		-		500,000
Share issue costs		-		(69,349)
Net cash provided by financing activities		-		430,651
Change in cash for the year		(125,155)		(24,817)
Cash, beginning of year		136,768		161,585
Cash, end of year	$	11,613	$	136,768

Note 11 – Supplemental disclosures with respect to cash flows.

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

1 NATURE AND CONTINUANCE OF OPERATIONS

Hawthorn Resources Corp., (the "Company") was incorporated under the Business Corporations Act (British Columbia) ("BCBCA") on September 8, 2020.

The address of its head office is located at Suite 420-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6. The Company's registered and records office is Suite 420-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6.

On February 22, 2023, the Company completed an initial public offering ("IPO") for gross proceeds of $500,000 (Note 6). The Company's shares commenced trading on the Canadian Securities Exchange (the "CSE") under the symbol HWTN.

These financial statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or achieve profitable operations. The Company has incurred losses since inception and has an accumulated deficit of $725,494. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management may be required to curtail certain expenses. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2 BASIS OF PREPARATION

Statement of compliance

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

Basis of presentation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Use of judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

The key areas of judgment applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

2 BASIS OF PREPARATION (cont'd…)

Use of judgments and estimates (cont'd…)

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise additional funding to cover its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

- Valuation of exploration and evaluation assets

  The recognition of exploration and evaluation assets requires judgment regarding future recoverability and carrying cost. The cost model is utilized and the value of the exploration and evaluation assets is based on the acquisition expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

3 MATERIAL ACCOUNTING POLICIES

Exploration and evaluation asset

The Company is in the process of exploring its exploration and evaluation interests and has not yet determined whether these properties contain ore reserves that are economically recoverable.

All costs related to the acquisition of exploration and evaluation assets, including option payments, are capitalized. Amounts received for the sale of exploration and evaluation assets and for receipt of option payments are treated as reductions of the cost of the property, with receipts in excess of capitalized costs recognized in profit or loss. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof. Subsequent recovery of the resulting carrying value depends on successful development or sale of the exploration and evaluation assets. If an exploration and evaluation asset does not prove viable, all unrecoverable costs associated with the project net of any impairment provisions are written off.

Exploration and evaluation expenditures are recognized in profit or loss. Costs incurred before the Company has obtained legal rights to explore on areas of interest are recognized in profit or loss. Expenditures incurred by the Company in connection with the exploration and evaluation of exploration and evaluation assets after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable are capitalized.

Project investigation costs are costs to review potential exploration and evaluation asset acquisitions and are recognized in profit or loss.

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

3 MATERIAL ACCOUNTING POLICIES (cont'd…)

Impairment (cont'd…)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss. Transaction costs are expensed in profit or loss.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash and receivables are recorded at amortized cost.

Fair value through other comprehensive income ("OCI")

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under the FVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss, rather transferred to deficit. The Company does not have any financial assets designated as FVOCI.

Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

3 MATERIAL ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Fair value hierarchy

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effects of including all outstanding options and warrants would be anti-dilutive.

Income taxes

Income tax expense 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. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

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

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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable than an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

3 MATERIAL ACCOUNTING POLICIES (cont'd…)

Share capital

The Company records in share capital proceeds from share issuances, net of issuance costs and any tax effects. Stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method. Under this method, the Company first allocates the proceeds to the share, up to the assessed fair value. The remainder is allocated to the attached warrant.

Share issuance costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are presented as other assets until the issuance of the shares to which the costs relate, at which time the costs charged against the related share capital or charged to profit or loss if the shares are not issued.

New standards adopted

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policy information, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

Definition of Accounting Estimates (Amendments to IAS 8) – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Company has not early adopted any other new accounting standard or amendment that has been issued but is not yet effective.

New standards not yet adopted

Presentation and Disclosure in Financial Statements (IFRS 18) - IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.

The Company is not yet able to determine the impact to the financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at July 31, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on its financial statements.

(Expressed in Canadian dollars)

4 RECEIVABLES AND PREPAID EXPENSES

	July 31, 2024	July 31, 2023
GST Receivable	$ -	$ 17,896
Prepaid expenses	-	1,910
	$ -	$ 19,806

5 EXPLORATION AND EVALUATION ASSETS

Broken Handle Property

The Company entered into an option agreement (the "**Broken Handle Agreement**") with Origen Resources Inc. (the "**Optionor**") on December 15, 2020, subsequently amended, to acquire a 75% right, title and interest (the "**Acquired Interest**") to certain claims (the "**Broken Handle Project**") subject to a 1.5% net smelter return ("**NSR**") royalty on the Acquired Interest (the "**Optionor 1.5% NSR**").

Under the terms of the option agreement, the Company may acquire the interest by:

a) paying an aggregate of $250,000 and issuing an aggregate of 1,000,000 shares to Origen as follows:

   i. $15,000 upon signing of the Broken Handle Agreement (paid);

   ii. $25,000 and issuing 150,000 shares within 15 days of acceptance of the National Instrument ("NI") 43-101 report by a recognised Canadian Stock Exchange and approval to list the shares to trade ("Exchange Approval Date")(paid and issued with a fair value of $19,500);

   iii. Issuing 200,000 shares on or before February 22, 2024 (issued with a fair value of $10,000);

   iv. $10,000 on or before October 22, 2024 (paid subsequent to year-end)*;

   v. $50,000 on or before November 15, 2024*;

   vi. $70,000 and issuing 250,000 shares on or before February 22, 2025;

   vii. $80,000 and issuing 400,000 shares on or before February 22, 2026.

b) incurring $500,000 in exploration expenditures as follows:

   i. $100,000 on or before February 22, 2024 (completed);

   ii. $400,000 on or before February 22, 2025.

*Subsequent to the year ended July 31, 2024, the Company extended the deadline for the $60,000 payment to $10,000 due October 22, 2024 and $50,000 due November 15, 2024.

The Company will have the right to purchase from Origen 1% of the Optionor 1.5% NSR within one year of commencement of commercial production, at a cost of $1,000,000.

The Broken Handle Project is also subject to a 1% NSR ("**1% NSR")** payable to an arm's-length private company.

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS (cont'd…)

Broken Handle Property (cont'd…)

		Broken Handle Project
Acquisition costs, July 31, 2022	$	15,000
Additions – cash		25,000
Additions – shares		19,500
Acquisition costs, July 31, 2023		59,500
Additions – shares		10,000
Acquisition costs, July 31, 2024	$	69,500

During the year ended July 31, 2024 and 2023, the Company incurred the following exploration expenses:

For the year ended,		**July 31, 2024**		**July 31, 2023**
Assaying	$	36,387	$	-
Camp costs		5,296		-
Communication		3,699		-
Field equipment rental		4,305		-
Field supplies		1,068		-
Geological consulting		46,781		-
Mobilization/demobilization		1,127		-
Reporting		-		8,500
Vehicle rental		1,647		-
	$	100,310	$	8,500

6 SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the year ended July 31, 2024, the Company issued 200,000 common shares with a fair value of $10,000 as property acquisition costs (Note 5).

During the year ended July 31, 2023, the Company:

- closed its initial public offering of common shares of the Company (the "Offering"). A total of 5,000,000 shares at a price of $0.10 per common share were issued for aggregate gross proceeds of $500,000.

  The Company paid a cash commission of $35,000, a cash corporate finance fee of $20,000 and other disbursements of $35,180 issued 100,000 shares with a fair value of $10,000, and issued 350,000 non-transferable agent options with a fair value of $18,804, which were recorded as share issues costs. Each agent option is exercisable into one additional common share at a price of $0.10 per common share for a period of 24 months from the closing of the Offering. The fair value of the agent options was determined using the Black-Scholes Option Pricing Model with the following inputs: volatility 100%, expected life of 2 years, and a risk-free rate of 4.20%.

(Expressed in Canadian dollars)

6 SHARE CAPITAL (cont'd…)

(b) Issued and outstanding (cont'd…)

- issued 150,000 common shares with a fair value of $19,500 as property acquisition costs (Note 5).

(c) Escrowed shares

As at July 31, 2024, the Company had 1,488,888 common shares subject to escrow release restrictions based on time such that 372,000 shares will be released on August 22, 2024 and every 6 months thereafter.

(d) Stock options

The Company has adopted an incentive stock option plan, which provides that the Company may grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors.

(e) Agent Options

The following is a summary of the Company's agent options activity:

	Number of agent options	Weighted average exercise price $
Balance, July 31, 2022	**-**	**-**
Granted	350,000	0.10
Balance, July 31, 2023 and 2024	**350,000**	**0.10**

As of July 31, 2024, the Company has agent options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price $	Remaining life (years)	Number of options outstanding	Number of options exercisable
February 23, 2025	0.10	0.57	350,000	350,000

7 RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the year ended July 31, 2024 the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

	July 31, 2024	July 31, 2023
Professional fees	$ 18,000	$ 18,000

(Expressed in Canadian dollars)

7 RELATED PARTY TRANSACTIONS (cont'd…)

As at July 31, 2024, $18,900 (July 31, 2023 - $10,000) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to professional fees and reimbursement of expenses.

8 INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the year ended July 31, 2024 and for the period ended July 31, 2023 are as follows:

		July 31, 2024		July 31, 2023
Loss before income taxes	$	(201,086)	$	(290,793)
Expected income tax (recovery)	$	(54,000)	$	(79,000)
Change in statutory, foreign tax, foreign exchange rates and other		-		(30,000)
Change in unrecognized deductible temporary differences		54,000		109,000
Income tax recovery	$	-	$	-

The significant components of the Company's deferred tax assets are as follows:

		July 31, 2024		July 31, 2023
Deferred tax assets				
Exploration and evaluation assets	$	29,000	$	3,000
Share issue costs		18,000		24,000
Non-capital losses		178,000		145,000
		225,000		172,000
Unrecognized deferred tax assets		(225,000)		(172,000)
Net deferred tax assets	$	-	$	-

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

		2024	Expiry Date Range		2023	Expiry Date Range
Share issue costs	$	66,000	2025-2027	$	88,000	2024-2027
Exploration and evaluation assts	$	109,000	No expiry date		9,000	No expiry date
Non-capital losses	$	661,000	2041-2044	$	538,000	2041-2043

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

8 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash and accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash in a major Canadian bank.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at July 31, 2024, the Company had working capital deficit of $111,174 (2023 – working capital surplus of $89,912). The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

Interest rate risk

The Company's financial asset exposed to interest rate risk consists of cash. As at July 31, 2024, the Company maintained all of its cash balance on deposit with a major Canadian bank. The Company does not have interest-bearing debt and does not rely on interest income for its operational forecast.

Foreign currency risk

The Company may at times be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at July 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

9 CAPITAL MANAGEMENT

The Company's capital management objective is to maintain financial capacity that is strong to sustain the future development of the business.

The Company's capital structure includes shareholders' equity. The Company manages its capital structure to maximize its financial flexibility to adjust to changes in economic conditions. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's management of capital for the year ended July 31, 2024.

10 SUPPLEMENT DISCLOSURES WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transactions during the year ended July 31, 2024 were as follows:

- The Company issued 200,000 common shares with a fair value of $10,000 as property acquisition costs (Note 5).

The Company's significant non-cash transactions during the year ended July 31, 2023 were as follows:

- The Company recognized $30,831 of share issuance costs from deferred financing costs.
- The Company issued 100,000 common shares with a fair value of $10,000 as share issue costs (Note 6).
- The Company issued 150,000 common shares with a fair value of $19,500 as property acquisition costs (Note 5).
- The Company granted 350,000 agent options and recognized a fair value of $18,804 to share issue costs.

11 SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of resource properties in British Columbia, as described in Note 5.