BIG RIDGE GOLD CORP.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2024, and 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Big Ridge Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Big Ridge Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of operations and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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 consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

<u>*Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")*</u>

As described in Note 7 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $5,474,131 as of June 30, 2024. As more fully described in Note 3 to the consolidated financial statements, the carrying amount of the Company's E&E Assets are reviewed at the end of each reporting period to determine whether there is an indication that those assets are impairment.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, 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 Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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 Peter Maloff.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

October 28, 2024

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Big Ridge Gold Corp. are the responsibility of the Board of Directors and Management. These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and, where appropriate, include management's best estimates and judgments.

Management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that financial information is timely and reliable. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board of Directors carries out this responsibility principally through its Audit Committee. The Board of Directors appoints the Audit Committee, whose members are independent directors. The Audit Committee meets periodically with Management to review the financial reporting process and financial statements, together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders. The Board of Directors approves the consolidated financial statements on recommendation from the Audit Committee.

Michael Bandrowski	Jim Kirke
President and Chief Executive Officer	Chief Financial Officer

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BIG RIDGE GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30
Expressed in Canadian dollars

	Note	2024 $	2023 $
ASSETS			
Current assets			
Cash and cash equivalents		383,012	88,379
Amounts receivable		13,584	25,794
Marketable securities		-	7,500
Prepaids and deposits		10,692	1,722
Total Current Assets		**407,288**	**123,395**
Investment in Caprock Mining Corp.	5	100,838	200,000
Property, plant and equipment	6	495,190	436,274
Exploration and evaluation assets	7	5,474,131	4,674,131
Total Assets		**6,477,447**	**5,433,800**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		209,778	419,334
Due to related parties	17	19,600	43,385
Restricted Share Unit liability	11	54,146	28,888
Current portion of lease liability	8	40,907	-
		324,431	**491,607**
Cash-based Deferred Share Unit liability	11	93,278	150,123
Equity-based Deferred Share Unit liability	11	95,293	-
Non-current portion of lease liability	8	-	-
Total Liabilities		**513,002**	**641,730**
SHAREHOLDERS' EQUITY			
Share capital	9	46,025,481	40,377,519
Contributed surplus - warrants	10	1,718,149	1,692,944
Contributed surplus - options	11	2,559,123	2,253,779
Deficit		(44,338,308)	(39,532,172)
Total Shareholders' Equity		**5,964,445**	**4,792,070**
Total Liabilities and Shareholders' Equity		**6,477,447**	**5,433,800**

Going concern and Nature of operations (Note 1)
Subsequent events (Note 21)

Approved and authorized by the Board of Directors on October 28, 2024.

"Bill Williams", Director   *"Michael Bandrowski"*, Director

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

BIG RIDGE GOLD CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended June 30
Expressed in Canadian dollars

	Note	2024 $	2023 $
EXPENSES			
Exploration expense	7	2,209,861	2,626,159
General and administrative expense	12	1,294,836	876,513
Finance income, net	14	(21,301)	(110,902)
Other income		-	(11,000)
Impairment loss on equity accounted investment	5	-	140,877
Writedown of exploration and evaluation assets	7	1,223,578	-
Equity loss impact of equity accounted investment	5	99,162	159,123
Loss and comprehensive loss		**4,806,136**	**3,680,770**
Loss and comprehensive loss per share			
Basic and diluted		**0.03**	**0.03**
Weighted average number of common shares outstanding in the year			
Basic and diluted		**185,040,473**	**132,910,664**

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

BIG RIDGE GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30
Expressed in Canadian dollars

	2024 $	2023 $
Operating activities:		
Loss for the year	(4,806,136)	(3,680,770)
Items not affecting cash:		
Writedown of mineral properties (notes 4 and 7)	1,223,578	
Impairment loss on equity accounted investments (note 7)	-	140,877
Amortization	139,346	87,689
Other income	-	(11,000)
Share-based compensation (note 11)	221,837	(55,667)
Equity loss on equity accounted investments (note 5)	99,162	159,123
Realized gain on sale of marketable securities	(5,875)	(117,264)
Accretion (note 8)	1,489	-
Unrealized loss on marketable securities	-	3,500
	(3,126,599)	**(3,473,512)**
Changes in non-cash working capital items (note 15)	(339,471)	(923,785)
Cash used in operating activities	**(3,466,070)**	**(4,397,297)**
Investing activities:		
Purchase of capital assets	(23,578)	(14,541)
Proceeds from sales of marketable securities	13,375	211,279
Cash used in investing activities	**(10,203)**	**196,738**
Financing activities:		
Cash acquired upon completion of acquisition of Gold Island Inc. (note 4)	3,834,563	-
Lease payments (note 8)	(9,707)	-
Common shares issued for cash (note 9)	-	2,525,000
Share issuance costs paid in cash	(53,950)	(209,886)
Cash provided by financing activities	**3,770,906**	**2,315,114**
Net increase (decrease) in cash	294,633	(1,885,445)
Cash and cash equivalents - Beginning of year	88,379	1,973,824
Cash and cash equivalents - End of year	**383,012**	**88,379**
Supplementary Disclosure		
Interest paid in cash	-	-
Income taxes paid in cash	-	-
Fair value of broker warrants issued pursuant to private placements	-	77,799
Fair value of common shares issued pursuant to the acquisition of Gold Island Inc. (note 4)	4,887,037	-
Fair value of options issued pursuant to the acquisition of Gold Island Inc. (note 4)	162,088	-
Fair value of warrants issued pursuant to the acquisition of Gold Island Inc. (note 4)	25,205	-
Shares issued to First Mining Gold Corp. (note 7)	800,000	1,950,000
Fair value of shares issued in settlement of vested RSUs	14,875	67,812
Fair value of shares of Forum Energy Metals Corp. received as consideration upon the sale of the Fisher property	-	11,000

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

BIG RIDGE GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Expressed in Canadian dollars

	#	$	$	$	$	$
Balance - July 1, 2022	**108,504,585**	**36,438,017**	**2,109,015**	**1,299,520**	**(35,851,402)**	**3,995,150**
Loss for the year	-	-	-	-	(3,680,770)	(3,680,770)
Stock option expense	-	-	144,764	-	-	144,764
Issuance of common shares to First Mining Gold Corp. (note 7)	15,000,000	1,950,000	-	-	-	1,950,000
Issuance of flow-through units pursuant to private placement	12,625,000	2,209,375	-	315,625	-	2,525,000
Issued in settlement of vested RSUs	481,250	67,812	-	-	-	67,812
Share issuance costs	-	(287,685)	-	77,799	-	(209,886)
Balance - June 30, 2023	**136,610,835**	**40,377,519**	**2,253,779**	**1,692,944**	**(39,532,172)**	**4,792,070**
Balance - July 1, 2023	**136,610,835**	**40,377,519**	**2,253,779**	**1,692,944**	**(39,532,172)**	**4,792,070**
Loss for the year	-	-	-	-	(4,806,136)	(4,806,136)
Stock option expense	-	-	143,256	-	-	143,256
Issued pursuant to the acquisition of Gold Island Inc. (note 4)	51,442,492	4,887,037	162,088	25,205	-	5,074,330
Issued pursuant to the amended earn-in agreement over the Hope Brook Gold Project (note 7)	10,000,000	800,000	-	-	-	800,000
Issued in settlement of vested RSUs	192,500	14,875	-	-	-	14,875
Share issuance costs	-	(53,950)	-	-	-	(53,950)
Balance - June 30, 2024	**198,245,827**	**46,025,481**	**2,559,123**	**1,718,149**	**(44,338,308)**	**5,964,445**

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

1. GOING CONCERN AND NATURE OF OPERATIONS

Big Ridge Gold Corp. (“the Company”) is engaged in the acquisition, exploration and evaluation of Canadian gold projects. The Company’s head office is located at Suite 1400, 18 King Street East, Toronto, Ontario, M5C 1C4, and the Company’s registered and records office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

The Company presently has no proven or probable reserves and has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date, less amounts written down or written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon a number of factors, including raising equity, debt or other forms of financing on acceptable commercial terms to finance the administration, exploration and evaluative work of the Company ; the successful completion of environmental assessments by federal and provincial regulatory agencies; the acquisition of the federal and provincial permits required to enable construction of mining facilities; raising equity, debt and other financing to finance construction; and attaining profitable operations. These material uncertainties lend significant doubt over the applicability of the going concern assumption and ultimately the use of accounting principles pertinent to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption were inappropriate. These adjustments could be material.

Big Ridge funded its operations in the year ended June 30, 2024 from the use of existing cash and cash held by Gold Island Inc. at the time of the Company’s acquisition of the outstanding securities of Gold Island Inc. (note 4). In addition, on September 18, 2024 the Company closed a non-brokered private placement of 30,000,000 common shares which generated gross proceeds of $1,500,000, and the Company continues to seek additional financing, both through additional offerings of equity and other, non-dilutive transactions. However, there is no assurance that the Company will be successful in these efforts.

2. BASIS OF PREPARATION

The Company’s consolidated financial statements report the Company’s financial position, results of operations, cash flows, and changes in shareholders’ equity during a fiscal year that ends on June 30.

Basis of presentation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Empress Resources Corp (“Empress”) and Gold Island Inc (“Gold Island”). The financial statements of Empress and Gold Island are prepared for the same period as those of the Company using consistent accounting policies for all periods presented. All intercompany balances and transactions have been eliminated.

These consolidated financial statements were approved by the Board of Directors of the Company on October 28, 2024.

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash-flow information. The material accounting policy information, as disclosed, has been applied consistently to all periods presented in these consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of all liabilities in the normal course of business.

Critical Accounting Estimates and Judgments

The preparation of these consolidated 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 consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates.

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

(a) The assessment by management of the reasonableness of the going concern assumption.
(b) The decision by the Company to treat the acquisition of Gold Island Inc. as an asset acquisition.
(c) The carrying value and the recoverability of exploration and evaluation assets, which are included in the consolidated statements of financial position based on the planned exploration budgets and drill results of exploration programs to assess economic recoverability and probability of future economic benefits.
(d) The assessment by management of the recoverability of the Company's investment in Caprock.
(e) The inputs used in accounting for warrants and stock option expense included in profit or loss, each of which is calculated using the Black-Scholes option pricing model.
(f) The valuation of shares issued in non-cash transactions.
(g) The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Exploration and evaluation assets

All costs related to the acquisition of mineral resource interests are capitalized by project. These costs will be amortized against revenue from future production or written off if the interest is deemed impaired, abandoned or sold. All costs related to the exploration of mineral resource interests are expensed as incurred.

The amounts shown for exploration and evaluation assets represent acquisition costs incurred to date, less recoveries, and do not necessarily reflect present or future values. The recoverability of amounts shown for mineral interests is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the projects as well as future profitable production or proceeds from the disposition thereof.

At the end of each reporting period, the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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.

If the recoverable amount of an asset is estimated to be less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Ownership in exploration and evaluation assets involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets.

b) Impairment

The Company's assets are reviewed for indication of impairment at each consolidated statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit, exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized on the consolidated statement of operations.

An impairment loss is reversed if there is an indication that 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 amortization, if no impairment loss had been recognized.

c) Property, plant and equipment

Property, plant and equipment assets are initially recorded at cost including acquisition and installation costs. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses. Depreciation for these assets is calculated using the straight-line method at rates which depreciate the cost of the assets, less their anticipated residual values, if any, over their estimated useful lives.

- Equipment 3 to 5 years
- Vehicles 3 to 5 years
- Buildings 10 years

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each reporting period end and adjusted prospectively if appropriate.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net in the consolidated statement of operations and comprehensive loss. The net book value of property, plant and equipment assets is charged against income if the mine site is abandoned and it is determined that the assets cannot be economically transferred to another project or sold.

d) Share-based compensation
The Company maintains a Stock Option Plan; a cash-based Deferred Share Unit ("DSU") Plan; an equity-based DSU Plan; and an equity-based Restricted Share Unit ("RSU") Plan.

Stock Option Plan

The Company, from time to time, grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal, securities or tax purposes, or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in contributed surplus. Consideration paid for the shares on the exercise of stock options is credited to share capital.

Share-based compensation arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Cash-Based DSU Plan

Under the Company's cash-based DSU plan, DSU's may be awarded to directors, officers and employees and are retained until the director, officer or employee resigns or retires from the Company, at which time the value of the DSU is paid in cash. Each DSU vests on the date on which it is granted.

DSU's are measured at fair value on the grant date and are remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized in the consolidated statement of operations and comprehensive loss.

Equity-Based DSU Plan

DSU's awarded under the equity-based DSU Plan may be equity or cash-settled, at the discretion of the Company, and are recorded at fair value based on the market value of the Company's common shares at the grant date. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date. The estimated forfeiture rate is adjusted for actual forfeitures in each reporting period. On vesting of equity-based RSUs, shares are issued from treasury. Equity-settled DSUs are accounted for as a liability at fair value and re-measured each period based on the current market value of the underlying stock at period end, with changes in the liability recorded as compensation expense each period.

RSU Plan

RSUs may be equity or cash-settled, at the discretion of the Company, and are recorded at fair value based on the market value of the shares at the grant date. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date. The estimated forfeiture rate is adjusted for actual forfeitures in each reporting period. On vesting of equity-settled RSUs, shares are issued from treasury. Equity-based RSUs are accounted for as a liability at fair value and re-measured each period based on the current market value of the underlying stock at period end, with changes in the liability recorded as compensation expense each period.

Other Share-Based Payments

Share-based compensation arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

e) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity.

Proceeds from unit placements are allocated between common shares and warrants using the residual value method, which allocates value first to the fair value of the common shares and the balance, if any, is allocated to the attached warrants.

f) Income taxes

Income tax on the profit or loss for the years 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 year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; 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 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. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

g) Quebec exploration tax credit receivable

The Company may be entitled to refundable mining tax credits on certain mining exploration expenditures incurred in Quebec. The Company recognizes amounts as a receivable and reduces the carrying value of exploration and evaluation assets when the amount to be received can be reasonably estimated and collection is reasonably assured.

h) Flow-through shares

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures by the Company. Proceeds from the issuance of flow-through shares are allocated between the offering proceeds obtained from the issuance of common shares and the premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through shares. The calculated tax benefit is recognized as a liability until the Company renounces the expenditures, at which point the liability is reversed and recorded as other income on the statement of operations. The Company records a deferred tax liability when the Company makes the expenditures. At the time of recognition of the deferred tax liability, an offsetting entry is made to tax expense.

i) Provision for environmental rehabilitation

The Company recognizes liabilities for contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and property and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes would be recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, would be charged to profit or loss for the year.

j) Loss (earnings) per share

Basic income or loss per share is calculated by dividing income available to the Company's common shareholders by the weighted average number of common shares issued and outstanding during the period. In periods with positive earnings, the calculation of diluted net income per common share uses the treasury stock method to compute the dilutive effects of stock options, warrants and other potentially dilutive instruments. In periods of loss, diluted net loss per share is equal to basic loss per share, as the effect of potential issuances of shares from stock options or warrants would be antidilutive.

k) Financial instruments

Classification
The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Asset or Liability	**Classification**
Cash	Amortized cost
Amounts receivable	Amortized cost
Marketable securities	FVTPL
Due from/Due to related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost
Deferred share unit liability	FVTPL
Restricted share unit liability	FVTPL

Measurement

Initial measurement
On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement
The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

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

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial assets at amortized costs
The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

New amendments to existing standards and amendments not yet effective

The Company adopted the following amendments to accounting standards, which are effective for annual reporting 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 policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The amendment was applied effective July 1, 2023 and did not have a material impact on the Company's consolidated financial statements.

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.

Expressed in Canadian dollars

The amendment was applied effective July 1, 2023 and did not have a material impact on the Company's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements – 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. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.

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

Certain pronouncements were issued by the IASB but are not yet effective as at June 30, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on the consolidated financial statements of the Company.

4. ACQUISITION OF GOLD ISLAND INC.

On July 17, 2023, the Company entered into a Business Combination Agreement, pursuant to which it agreed to acquire the outstanding securities of Gold Island Inc. ("Gold Island"), a private exploration company focused on the exploration of a portfolio of mineral properties in Newfoundland and Labrador.

The acquisition closed on August 11, 2023, and the Company accounted for the transaction as an asset acquisition. The table below provides details of the consideration paid by the Company:

	Number of instruments issued #	**Fair value $**
Common shares	51,442,492	4,887,037
Stock options issued to replace 3,875,000 options issued by Gold Island and outstanding at the closing date, exercisable at a price of $0.15 per share and expiring on June 30, 2028	3,100,000	162,088
Broker warrants issued to replace warrants issued by Gold Island and outstanding on the closing date, exercisable at a price of $0.4375 and expiring on January 5, 2026	1,029,744	25,205
		5,074,330

Expressed in Canadian dollars

The net assets of Gold Island acquired on closing are set out below.

	$
Current assets:	
Cash	3,834,563
Amounts receivable	23,487
Prepaids and deposits	30,479
	3,888,529
Property, plant and equipment (note 6)	174,684
Exploration and evaluation assets (note 7)	1,223,578
Total assets	**5,286,791**
Less:	
Trade payables	(163,336)
Lease liability (note 8)	(49,125)
Net assets acquired	**5,074,330**

5. INVESTMENT IN CAPROCK MINING CORP.

On February 28, 2022, the Company closed the sale of five Ontario-based mining properties to Caprock Mining Corp ("Caprock"), pursuant to the terms of a sales agreement dated March 11, 2021. As consideration for the sale of these properties, Caprock issued 10,000,000 common shares (the "Caprock Shares"), which were valued at an estimated fair value of $0.10 per share or $1,000,000.

Immediately following the sale of the Ontario properties and the issuance of the Caprock Shares referred to above, the Company held approximately 24.8% of the outstanding equity of Caprock. Taken together with the fact that two representatives of the Company's management serve on the board of Caprock, the Company has concluded that it holds significant influence over Caprock, and consequently this investment is accounted for using the equity method.

At June 30, 2024, the Company's investment in Caprock amounted to 23.2% of Caprock's issued and outstanding common shares. Summarized financial information for Caprock is set out below.

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Expressed in Canadian dollars

Summarized financial position as at June 30		
	2024	**2023**
	$	**$**
Current assets	16,641	359,761
Exploration and evaluation assets	1,143,010	1,082,000
Total assets	1,159,651	1,441,761
Current liabilities	(319,375)	(208,105)
Net assets	**840,276**	**1,233,656**
Attributable to Big Ridge	194,944	296,077
Attributable to investee's shareholders other than Big Ridge	645,332	937,579

Summarized P&L information for the year ended June 30		
	2024	**2023**
	$	$
Exploration expenses	83,890	160,522
General and administrative expenses	323,081	497,417
Finance income (net)	-	(354)
Impairment of exploration and evaluation assets	11,000	-
Loss and comprehensive loss for the year	**417,971**	**657,585**
Attributable to Big Ridge	99,162	159,123
Attributable to investee's shareholders other than Big Ridge	318,809	498,462

At June 30, 2024, the Caprock Shares had an estimated fair value of $100,000.

The movement in the Company's investment in Caprock is set out below.

	$
Balance - July 1, 2022	**500,000**
Equity loss	(159,123)
Impairment loss	(140,877)
Balance - June 30, 2023	**200,000**
Equity loss	(99,162)
Balance - June 30, 2024	**100,838**

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Expressed in Canadian dollars

The Caprock Shares were issued to the Company under a prospectus exemption and are subject to the terms of an escrow agreement. At June 30, 2024, a total of 7,000,000 shares were free-trading (2023 – 4,000,000 shares) and the remainder of the Caprock Shares become free-trading according to the following schedule:

Date	**Number of free-trading shares released from escrow**
July 26, 2024	1,500,000
January 26, 2025	1,500,000
	3,000,000

6. PROPERTY, PLANT AND EQUIPMENT

The balance at June 30, 2024 is comprised as follows:

	Cost	**Accumulated Amortization**	**Net Book Value**
	$	**$**	**$**
Buildings	381,327	93,102	288,225
Equipment	274,381	147,746	126,635
Vehicles	122,398	42,068	80,330
	778,106	**282,916**	**495,190**

The balance at June 30, 2023 is comprised as follows:

	Cost	**Accumulated Amortization**	**Net Book Value**
	$	**$**	**$**
Buildings	379,971	54,969	325,002
Equipment	182,770	80,249	102,521
Vehicles	21,000	12,249	8,751
	583,741	**147,467**	**436,274**

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Expressed in Canadian dollars

7. EXPLORATION AND EVALUATION ASSETS

The movement in capitaized acquisition costs with respect to the Company's mineral exploration and evaluation assets is set out below.

	Newfoundland				
	Hope Brook $	**Hampden** $	**Burton** $	**Notre Dame and Baie Verte** $	**Total** $
Capitalized acquisition costs					
Balance - July 1, 2022	**2,724,131**	**-**	**-**	**-**	**2,724,131**
Issuance of common shares to First Mining Gold Corp. pursuant to first earn-in under Hope Brook option agreement (notes 7 and 9)	1,950,000	-	-	-	1,950,000
Balance - June 30, 2023	**4,674,131**	**-**	**-**	**-**	**4,674,131**
Acquisition of Gold Island (note 4)	-	407,860	407,859	407,859	1,223,578
Issuance of common shares to First Mining Gold Corp. pursuant to revised second earn-in under amended Hope Brook option agreement (notes 7 and 9)	800,000	-	-	-	800,000
Writedowns of exploration and evaluation assets	-	(407,860)	(407,859)	(407,859)	(1,223,578)
Balance - June 30, 2024	**5,474,131**	**-**	**-**	**-**	**5,474,131**

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Expressed in Canadian dollars

The table below shows the breakdown of exploration expenses in the years ended June 30, 2024, and 2023 with respect to the Company's exploration and evaluation assets.

	2024								2023
	Newfoundland					Quebec			
	Hope Brook $	Hampden $	Burton $	Notre Dame and Baie Verte $	Other $	Destiny $	Other $	Total $	Total $
Project management	259,051	-	-	73	-	850	1,280	**261,254**	211,918
Assessment reporting	-	-	-	573	-	-	-	**573**	16,988
Camp labour	368,825	-	-	-	-	-	-	**368,825**	342,028
Camp costs	187,735	433	433	1,186	-	-	-	**189,787**	137,303
Claim renewal costs	38,548	-	-	-	-	-	-	**38,548**	219,774
Geophysics	697,735	-	-	-	-	-	-	**697,735**	37,150
Assaying and core storage	40,475	363	363	462	-	22,380	-	**64,043**	189,328
Core Handling	-	-	-	-	-	-	-	**-**	45,552
Drilling	-	-	-	-	-	-	-	**-**	1,163,928
Vehicles - Fuel and repairs	2,052	-	-	-	-	-	-	**2,052**	6,919
Mapping, GIS and related activities	77,207	-	-	-	-	-	-	**77,207**	28,363
Metallurgy	3,809	-	-	-	-	-	-	**3,809**	7,340
Prospecting	340,666	2,388	2,725	6,344	-	-	-	**352,123**	3,549
Resource modelling	2,295	-	-	-	-	-	-	**2,295**	115,108
Shipping and site travel	115,535	535	-	726	-	-	-	**116,796**	74,662
Forfeiture of claim deposits	-	-	-	-	28,100	-	-	**28,100**	-
Government assistance	(115,500)	-	-	-	-	-	-	**(115,500)**	-
Advance royalties	20,000	-	-	-	-	-	-	**20,000**	20,000
Project-specific general and administrative expenses	2,214	-	-	-	-	-	-	**2,214**	6,249
Estimated costs related to abandonment	-	-	-	100,000	-	-	-	**100,000**	-
Exploration expense for the year	**2,040,647**	**3,719**	**3,521**	**109,364**	**28,100**	**23,230**	**1,280**	**2,209,861**	**2,626,159**

The mining claims which underly each of these projects are subject to net smelter returns royalties at rates which range from 1.0% to 3.75%. A portion of the claims associated with the Oxford project are also subject to an overlapping 7.5% net profits interest.

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Expressed in Canadian dollars

Hope Brook

On April 6, 2021, the Company entered into an earn-in agreement with First Mining Gold Corp. ("First Mining"), pursuant to which the Company had the right to earn an interest of up to 80% in the Hope Brook Gold Project, located in Newfoundland and Labrador.

The Company incurred the following initial acquisition costs, at which point it became the operator of the Hope Brook Gold Project:

	$
Cash	500,000
11,500,000 common shares with a fair value of $0.19 per share	2,185,000
Transaction costs	39,131
	2,724,131

The earn-in was comprised of two stages, as described below:

- In order to exercise its first earn-in right to acquire a 51% interest in the Hope Brook Gold Project, the Company was required to incur and fund expenditures on the Hope Brook Gold Project of no less than $10 million by June 8, 2024, and to issue an additional 15 million common shares to First Mining.

  On September 13, 2022, the Company met the expenditure requirements necessary to satisfy the first earn-in threshold set out in the Hope Brook option agreement and issued a total of 15,000,000 common shares to First Mining with an aggregate fair value of $1,950,000, completing the first earn-in related to the Hope Brook project, gaining an initial 51% interest in the project, and becoming party to a joint venture agreement for the Hope Brook Gold Project with First Mining (49% interest). Concurrently with the creation of the joint venture, the joint venture entity granted to First Mining a 1.5% net smelter returns royalty on the Hope Brook Gold Project, subject to a right of the Company to buy back 0.5% for $2 million.

- To earn an additional 29% interest in the Hope Brook Gold Project (the "Stage 2 earn-in"), the Company was required to incur and fund an additional $10 million in expenditures on the project by June 8, 2026 and to issue to First Mining an additional 10 million common shares.

On March 21, 2024, the Company entered into an amending agreement with First Mining, pursuant to which the Company and First Mining agreed to terminate the provisions of the earn-in agreement that related to the Stage 2 earn-in. Following this, First Mining granted the Company a revised Second Stage Earn-In right to increase its ownership in the HBGP from 51% to 80%, subject to:

- the Company issuing a total of 10,000,000 common shares to First Mining (the "Revised Stage 2 Shares"), and
- arranging for a group of investors to enter into definitive agreements to acquire from First Mining a total of 36,500,000 common shares of the Company.

The Company issued the Revised Stage 2 Shares referred to above on March 28, 2024, and definitive agreements covering the sale by First Mining of its investment in the common shares of the Company were completed on various dates prior to the issuance of the Revised Stage 2 shares. Consequently, at June 30, 2024 the Company's interest in the mineral licences which underly the HBGP amounted to 80%.

With the Stage 2 earn-in having been completed, the Company will solely fund all expenditures on the project up to and including the date on which the Company announces the results of a feasibility study on the project, at which time First Mining's free-carry period will terminate.

Expressed in Canadian dollars

The Gold Island properties

The mineral exploration and evaluation assets held by Gold Island at the closing of the acquisition (note 4) included the Hampden, Burton and Notre Dame/Baie Verte properties.

The Company had the right to earn a 100% interest in each property under the terms of option agreements dated September 22, 2021. The earn-in by the Company to a 100% interest in these properties took place in a single stage over the life of the option agreement, which required annual cash payments and share based payments to the vendor over the life of each agreement and annual expenditure requirements.

The Company did not make vendor payments and share issuances that were due under the terms of each option agreement on September 22, 2023, and during the year ended June 30, 2024 the Company abandoned each option.

Fisher property, Saskatchewan

During the year ended June 30, 2023, the Company sold its 100% interest in the Fisher gold property in Saskatchewan to Forum Energy Metals Corp. ("Forum"), a Canadian public company whose President and Chief Executive Officer is a director of the Company, in exchange for 100,000 common shares of Forum with a fair value of $11,000. The fair value of the proceeds was charged to operations as Other income.

8. LEASE LIABILITY

Prior to the Company's acquisition of Gold Island (note 4), Gold Island had entered into a lease agreement for a vehicle with a three-year term expiring on May 29, 2025. On August 11, 2023, immediately following the completion of this acquisition, the Company recorded an asset and corresponding lease liability amounting to $49,125. The change in the carrying value of the lease liability in the period from August 11, 2023 to June 30, 2024 is set out below.

	$
Balance - July 1, 2022 and June 30, 2023	-
Assumed upon acquisition of Gold Island (note 4)	49,125
Accretion	1,489
Payments	(9,707)
Balance - June 30, 2024	**40,907**
Current portion	40,907
Long term portion	-
	40,907

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Expressed in Canadian dollars

9. SHARE CAPITAL

1. ***Authorized**:*

   Unlimited Common shares without par value.

2. ***Issued and outstanding:***

The following table shows the movement in issued and outstanding share capital.

	Number of shares	$
Balance - July 1, 2022	**108,504,585**	**36,438,017**
Common shares issued pursuant to private placement of flow-through units (a)	12,625,000	2,209,375
Common shares issued to First Mining Gold Corp. (b)	15,000,000	1,950,000
Common shares issued in settlement of Restricted Share Units	481,250	67,812
Share issue costs	-	(287,685)
Balance - June 30, 2023	**136,610,835**	**40,377,519**
Common shares issued pursuant to the acquisition of the outstanding securities of Gold island (c)	51,442,492	4,887,037
Common shares issued to First Mining Gold Corp. (d)	10,000,000	800,000
Common shares issued in settlement of Restricted Share Units	192,500	14,875
Share issue costs	-	(53,950)
Balance - June 30, 2024	**198,245,827**	**46,025,481**

a) On July 25, 2022, the Company closed a non-brokered private placement of 12,625,000 units at a price of $0.20 per unit, for aggregate gross proceeds of $2,525,000. Each unit consisted of one flow-through common share and one-half of one share purchase warrant, with each whole warrant exercisable into one common share at an exercise price of $0.27 and expiring on July 25, 2024. The Company accounted for this equity transaction using the residual method, which resulted in a value of $2,209,375 being allocated to the common shares and $315,625 being allocated to the unit warrants.

   In connection with this financing, the Company paid a total of $176,750 in finder's fees and issued a total of 883,750 compensation warrants exercisable into common shares at a price of $0.20 per share and expiring on July 25, 2024.

b) As reported in note 7, on September 13, 2022, the Company issued 15,000,000 common shares with a fair value of $1,950,000 to First Mining to complete the Company's first stage earn-in with respect to the Hope Brook Gold Project.

c) As reported in note 4, on August 10, 2023 the Company issued a total of 51,442,492 common shares with a fair value of $4,887,037 pursuant to the acquisition of Gold Island.

d) As reported in note 7, on March 28, 2024 the Company issued 10,000,000 common shares with a fair value of $800,000 to First Mining in connection with the revised Stage 2 Earn-In.

Expressed in Canadian dollars

10. WARRANTS

The following table shows the movement in warrants during the years ended June 30, 2024 and 2023.

	Number of warrants	Number of shares issuable upon exercise of warrants	$
Balance - July 1, 2022	**24,840,963**	**24,846,973**	**1,299,520**
Issued pursuant to private placement of flow-through units (a)	6,312,500	6,312,500	315,625
Finder's compensation warrants issued pursuant to private placement (b)	883,750	883,750	77,799
Expired	(2,665,430)	(2,671,440)	-
Balance - June 30, 2023	**29,371,783**	**29,371,783**	**1,692,944**
Broker warrants issued pursuant to the acquisition of Gold Island (c)	1,029,744	1,029,744	25,205
Expired	(22,175,533)	(22,175,533)	-
Balance - June 30, 2024	**8,225,994**	**8,225,994**	**1,718,149**

a) As described in note 9(2)(a), the gross proceeds of the private placement of flow-through units that closed on July 25, 2022, was apportioned between Share capital and Warrants using the residual method, which resulted in the warrants issued to subscribers being valued at $315,625.

b) In addition, the Company issued a total of 883,750 finder's warrants in connection with this financing. Each warrant is exercisable at a price of $0.20 per share and expires on July 25, 2024. The fair value of these warrants was estimated using the Black-Scholes option pricing model using the following assumptions:

Risk free interest rate		3.07%
Dividend yield		Nil
Expected future volatility		100%
Expected life		2 years
which yielded an estimated fair value of	**$**	**0.088**

c) On August 11, 2023 the Company issued a total of 1,029,744 broker warrants exercisable at a price of $0.4375 per share and expiring on January 5, 2026 in connection with its acquisition of the outstanding securities of Gold Island (note 4). The fair value of these warrants was estimated using the Black-Scholes option pricing model using the following assumptions:

Risk free interest rate		4.65%
Dividend yield		Nil
Expected future volatility		100%
Expected life		2.41 years
which yielded an estimated fair value of	**$**	**0.024**

d) On June 15, 2023, the Company extended the expiry date of 22,175,533 outstanding share purchase warrants issued in connection with a private placement of units which closed on June 30, 2021. Following the extension of the term of these warrants, the expiry date was revised from June 30, 2023, to June 30, 2024.

Expressed in Canadian dollars

The details of the warrants outstanding at June 30, 2024, are set out below.

	Issue date	Expiry date	Number of warrants #		Exercise price $
Unit warrants:					
	July 25, 2022	July 25, 2024	6,312,500	$	0.270
Broker and finder compensation warrants:					
	July 25, 2022	July 25, 2024	883,750	$	0.200
	August 11, 2023	January 5, 2026	1,029,744	$	0.438
			8,225,994		

11. SHARE-BASED COMPENSATION

Share-based compensation expenses recognized in General and administrative expenses in the consolidated statements of operations and comprehensive loss for the years ended June 30, 2024 and 2023 are as follows:

	2024 $	2023 $
Stock options	143,256	144,764
Cash-based deferred share units	(56,845)	(200,724)
Equity-based deferred share units	95,293	-
Restricted share units	40,133	293
	221,837	**(55,667)**

Stock Option Plan

The Company's amended and restated Share Option Plan (the "Plan") was approved by the Company's shareholders at its annual meeting held December 22, 2022. The purpose of the Plan is to attract, retain and motivate directors, officers, employees and external service providers by providing them with the opportunity to acquire a proprietary interest in the Company and to benefit from its growth.

Under the Plan, the Board of Directors may grant options to directors, officers, employees or consultants, with the number of common shares reserved for issuance fixed at 15,839,712 shares. Options carry a term of no more than five years, and the exercise price of any option is no less than the closing price on the TSX Venture Exchange on the last trading day preceding the grant date. The vesting periods for individual awards of options are determined at the discretion of the Corporate Governance, Compensation and Nominating Committee.

Share-based compensation is recognized and charged to operations based upon the relative fair values and vesting conditions of the options granted.

The Company did not award options in the period ended June 30, 2023. During the year ended June 30, 2024, the Company awarded stock options as follows:

a) On August 11, 2023, the Company awarded a total of 3,100,000 stock options exercisable at a price of $0.15 per share and expiring on June 30, 2028, pursuant to the Company's acquisition of the outstanding securities of Gold Island (note 4). The fair value of these options was estimated using the Black-Scholes option pricing model with the following assumptions:

Expressed in Canadian dollars

Risk free interest rate		4.65%
Dividend yield		Nil
Expected future volatility		100%
Expected life		3 years
which yielded an estimated fair value of	**$**	**0.052**

b) On August 16, 2023, the Company awarded a total of 2,475,636 stock options to officers exercisable at a price of $0.15 per share and expiring on August 16, 2028. The fair value of these options was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate		4.81%
Dividend yield		Nil
Expected future volatility		100%
Expected life		3 years
which yielded an estimated fair value of	**$**	**0.052**

During the year ended June 30, 2024, the Company recognized stock option expense amounting to $143,256 (2023 - $144,764). At June 30, 2024, there was $17,309 of share-based compensation expense (2023 – $30,902) relating to the Company's unvested stock options to be recognized in future periods.

A summary of option activity under the Plan during the years ended June 30, 2024 and 2023 is as follows:

	#	**$**
Balance - July 1, 2022	**5,839,712**	**0.25**
Issued	-	-
Expired	-	-
Balance - June 30, 2023	**5,839,712**	**0.25**
Issued	5,575,636	0.15
Expired	(1,955,000)	0.20
Balance - June 30, 2024	**9,460,348**	**0.20**

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Expressed in Canadian dollars

The number of options outstanding at June 30, 2024, by issue date is shown in the following table.

	Options Outstanding				Options Exercisable
Date of Grant	**Expiry Date**	**Number outstanding #**	**Exercise Price $**	**Remaining life (Years)**	**Number outstanding #**
July 1, 2020	July 1, 2025	52,500	0.110	1.00	52,500
June 30, 2021	June 30, 2026	1,625,000	0.305	2.00	1,625,000
December 14, 2021	December 14, 2026	187,500	0.290	2.46	187,500
January 14, 2022	January 14, 2027	172,000	0.345	2.54	172,000
February 3, 2022	February 3, 2027	375,000	0.250	2.60	375,000
June 30, 2022	June 30, 2027	1,472,712	0.250	3.00	1,472,712
August 11, 2023	June 30, 2028	3,100,000	0.150	4.00	2,066,667
August 16, 2023	August 16, 2028	2,475,636	0.150	4.13	1,244,803
		9,460,348	**0.20**	**3.41**	**7,196,182**

Cash-Based DSU Plan

The Company's cash-based DSU Plan was adopted on June 7, 2021. Pursuant to the Cash DSU Plan, the Company may, from time to time, grant DSUs to officers and directors of the Company. The number of DSUs that may be awarded is unlimited.

DSUs are settled in cash upon the officer or director's termination of service. The price per share which prevails upon any settlement of DSUs is defined as the five-day volume weighted average trading price of the Company's common shares prior to the date of redemption.

No units were awarded under the Cash DSU Plan in the years ended June 30, 2023 and June 30, 2024.

At June 30, 2023 and June 30, 2024, there were 1,686,759 cash-based DSUs outstanding, all of which were vested. The Company recognized a negative expense in the year ended June 30, 2024 amounting to $56,845 (2023 – negative expense of $200,724) related to revaluation of the Company's liability with respect to outstanding cash-based DSUs.

Equity-Based DSU Plan

The Company's equity-based DSU was approved by the Company's shareholders at its annual meeting held December 22, 2022. Pursuant to the Equity DSU Plan, the Company may, from time to time, grant DSUs to officers and directors of the Company. The number of share units issuable in aggregate under the terms of the Equity DSU Plan and Restricted Share Unit Plan, described below, is limited to a total of 4,385,000 units.

No equity-based DSUs were awarded during the year ended June 30, 2023. On August 16, 2023, the Company awarded a total of 1,869,658 units under the Equity DSU Plan, with each unit vesting on August 16, 2024, and on January 2, 2024 the Company awarded a total of 208,333 units, with each unit vesting on January 2, 2025.

Expressed in Canadian dollars

The movement in outstanding equity based DSU's is set out below.

	Number of DSUs
Balance - July 1, 2022	**-**
DSUs settled	-
Balance - June 30, 2023	**-**
DSUs settled	-
DSUs awarded	2,077,991
Balance - June 30, 2024	**2,077,991**

At June 30, 2024 no DSUs had vested.

The Company recognized an expense in the period ended June 30, 2024 amounting to $95,293 (2023 - $nil) related to revaluation of the Company's liability with respect to outstanding equity-based DSUs.

RSU Plan

The Company's amended and restated RSU Plan was approved by the Company's shareholders at its annual meeting held December 22, 2022. Pursuant to the RSU Plan, the Company may, from time to time, grant RSUs to officers and directors of the Company. The number of share units issuable in aggregate under the terms of the Equity DSU Plan and RSU Plan is limited to a total of 4,385,000 units.

No RSUs were awarded in the year ended June 30, 2023. On August 16, 2023, the Company awarded a total of 1,241,986 RSUs. The Company recognized an expense in the year ended June 30, 2024 amounting to $40,133 (2023 – $293) related to revaluation of the Company's liability with respect to outstanding RSUs.

The Company awards RSUs pursuant to its short-term and long-term incentive plans, which deal with management compensation. RSUs awarded pursuant to the Company's short-term incentive plan vest on the first anniversary of the award date, and RSUs awarded pursuant to the Company's long-term incentive plan vest in equal parts on the first, second and third anniversaries of the award date.

The movement in outstanding RSU's is set out below.

	Number of RSUs
Balance - July 1, 2022	**866,250**
RSUs settled	(481,250)
Balance - June 30, 2023	**385,000**
RSUs settled	(192,500)
RSUs awarded	1,241,986
Balance - June 30, 2024	**1,434,486**

At June 30, 2024, a total of 192,500 RSUs had vested. The remaining 1,241,986 RSUs outstanding at June 30, 2024 vest according to the following schedule:

Expressed in Canadian dollars

Date	Number of RSUs vesting
August 16, 2024	665,063
August 16, 2025	288,461
August 16, 2026	288,462
	1,241,986

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2024 $	2023 $
Salaries, wages and benefits	13	529,295	468,486
Share-based compensation	11	221,837	(55,667)
Professional fees		113,684	99,192
Investor and shareholder relations		139,917	104,049
Travel and promotion		4,915	3,086
Office expenses		95,851	107,774
Transfer agent and filing fees		49,991	61,904
Amortization		139,346	87,689
		1,294,836	**876,513**

13. SALARIES, WAGES AND BENEFITS

	Note	2024 $	2023 $
Salaries and wages	17	760,243	646,066
Director fees	17	133,000	126,000
Social security benefits		63,861	45,239
		957,104	**817,305**
Charged to General and administrative expense		529,295	468,486
Charged to Exploration expense		427,809	348,819
		957,104	**817,305**

14. FINANCE INCOME, NET

	2024 $	2023 $
Interest income	(19,492)	(10,870)
Part XII.6 tax	2,260	8,337
Accretion	1,489	-
Foreign exchange	317	5,395
Realized gains on sales of marketable securities	(5,875)	(117,264)
Unrealized mark to market losses on marketable securities	-	3,500
	(21,301)	**(110,902)**

Expressed in Canadian dollars

15. INCOME TAXES

The income taxes shown in the consolidated statement of operations and comprehensive loss differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	2024 $	2023 $
Loss for the year	(4,806,136)	(3,680,770)
Expected tax recovery	(1,358,000)	(994,000)
Change in statutory, foreign tax, foreign exchange rates and other	(208,000)	-
Permanent differences	409,000	59,000
Impact of flow through shares	-	653,000
Impact of acquisition of Gold Island Inc.	(821,000)	-
Share issue costs	(15,000)	(57,000)
Change in unrecognized deductible temporary differences	1,507,000	397,000
Adjustment to prior years' provisions versus statutory tax returns and expiry of non-capital losses	486,000	(58,000)
	-	**-**

The significant components of the Company's deferred tax assets and liabilities that have not been included on the consolidated statement of financial position are as follows:

	2024 $	2023 $
Deferred tax assets		
Share issue costs	92,000	127,000
Allowable capital losses	111,000	590,000
Non-capital losses available for future periods	3,732,000	2,480,000
Property, plant and equipment	91,000	53,000
Right-of-use assets/Lease liability	-	-
Exploration and evaluation assets	2,453,000	1,741,000
Investment in Caprock	127,000	108,000
	6,606,000	**5,099,000**

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Expressed in Canadian dollars

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

	$	$
Deferred tax assets		
Share issue costs	325,000	470,000
Allowable capital losses	393,000	2,187,000
Property, plant and equipment	265,000	195,000
Right-of-use assets/Lease liability	-	-
Exploration and evaluation assets	8,695,000	6,448,000
Marketable securities	-	4,000
Investment in Caprock	899,000	800,000
Non-capital losses available for future periods	13,462,000	9,186,000
	24,039,000	**19,290,000**

The timing differences associated with share issue costs expire between 2045 and 2048 (2023 – between 2044 and 2047), and the timing differences associated with non-capital losses expire between 2026 and 2044 (2023 – between 2026 and 2043). The remainder of the timing differences do not expire.

16. CHANGES IN NON-CASH WORKING CAPITAL

	2024 $	2023 $
Decrease in amounts receivable	35,697	359,263
Decrease in prepaids and deposits	21,509	40,225
Decrease in accounts payable and accrued liabilities	(372,892)	(1,352,700)
(Decrease) Increase in amounts due to related parties	(23,785)	29,427
	(339,471)	**(923,785)**

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Expressed in Canadian dollars

17. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2024, and 2023, the Company recognized the following costs in respect of services provided by related parties:

	2024 $	2023 $
Charged to Salaries, Wages and Benefits:		
Salaries paid to key management	346,665	320,000
Director fees	133,000	126,000
	479,665	**446,000**
Charged to Share-Based Compensation:		
Stock option expense recognized in the period	143,256	144,764
Cash-based DSU expense recognized in the year	(56,845)	(200,724)
Equity-based DSU expense recognized in the year	95,293	-
RSU expense recognized in the year	40,133	293
	221,837	**(55,667)**
Management fees charged to Exploration expenses:		
OTD Exploration Ltd. (controlled by Company's Vice President Exploration)	118,363	129,625
	118,363	**129,625**

At June 30, 2024, the Company had liabilities to officers and directors of the Company amounting to $19,600 (June 30, 2023: $43,385). These liabilities arose in the normal course of business and were discharged subsequent to June 30, 2024.

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Expressed in Canadian dollars

18. FAIR VALUE HIERARCHY

	2024 $	2023 $
Financial assets - Amortized cost		
Cash and cash equivalents	383,012	88,379
Amounts receivable	13,584	25,794
	396,596	114,173
Financial assets - Fair value through profit and loss		
Marketable securities	-	7,500
	-	7,500
Other financial liabilities - Amortized cost		
Trade payables and accrued liabilities	209,778	419,334
Due to related parties	19,600	43,385
Lease liability	40,907	-
	270,285	462,719
Other financial liabilities - Fair value through profit and loss		
Cash-based Deferred Share Unit liability	93,278	150,123
Equity-based Deferred Share Unit liability	95,293	-
Restricted Share Unit liability	54,146	28,888
	242,717	179,011

As at June 30, 2024 and 2023, the carrying values of the above-noted financial instruments approximated their respective fair values.

19. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

Management monitors the Company's capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company is not subject to any external capital requirements. There were no changes to the Company's approach to capital management during the year ended June 30, 2024.

20. FINANCIAL RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Interest rate risk
The Company has no material exposure at June 30, 2024 to interest rate risk through its financial instruments.

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period. Sensitivity to a plus or minus .1% change in cash interest rates would have no material impact on the Company's reported net. The Company does not hold any material balances in foreign currencies that could give rise to exposure to foreign exchange risk.

Currency risk
As at June 30, 2024, $5,706 of the Company's reported cash and cash equivalents was held in US dollars. The Company has no operations in foreign jurisdictions at this time and as such has no material currency risk associated with its operations.

Credit risk
The Company has cash balances and no interest-bearing debt other than a finance lease liability which amounted to $40,907 at June 30, 2024. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in bank deposits or investment-grade short-term deposit certificates issued by Canadian financial institutions with which it keeps its bank accounts, and management believes the risk of loss to be remote.

Liquidity risk
The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at June 30, 2024, the Company had a cash balance of $383,012 (2023: $88,379) to settle current liabilities of $324,431 (2023: $491,607).

21. SUBSEQUENT EVENTS

Awards of share-based compensation

On July 1, 2024, the Company made the following awards to officers and directors:

a) A total of 1,500,000 options exercisable at a price of $0.06 per share, expiring on July 1, 2029, and vesting in equal instalments on July 1, 2024; July 1, 2025; and July 1, 2026;
b) A total of 150,000 RSUs, vesting in equal instalments on July 1, 2025; July 1, 2026; and July 1, 2027; and
c) A total of 1,800,000 cash-based DSUs, which vested immediately upon grant.

Settlement of vested DSUs

On August 28, 2024, following the resignation of a director of the Company, the Company issued 267,094 common shares with a fair value of $16,023 in settlement of 267,094 equity-based DSUs. On

September 30, 2024, the Company settled a total of 120,192 cash-based DSUs with a fair value of $6,899.

Settlement of RSUs

On September 24, 2024, the Company issued a total of 192,500 common shares with an aggregate fair value of $16,362 in settlement of 192,500 RSUs. These RSUs had vested at June 30, 2024.

Expiry of Warrants

On July 25, 2024, a total of 7,196,250 share purchase warrants expired unexercised.

Financing

On September 18, 2024 the Company closed a non-brokered private placement of 30,000,000 common shares at a price of $0.05 per share, for aggregate gross proceeds of $1,500,000. No finder's fees or compensation warrants were paid in connection with this financing.