ZincX Resources Corp.

Consolidated Financial Statements

For the Years Ended June 30, 2024 and 2023

Expressed in Canadian Dollars

ZincX Resources Corp.

Index | **Page**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
ZincX Resources Corp.

Opinion

We have audited the accompanying consolidated financial statements of ZincX Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows 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 the Company has incurred losses since its inception and incurred a net loss of $888,739 during the year ended June 30, 2024, and as of that date, the Company's total deficit was $95,742,879. 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 consolidated financial statements of the current year ended. 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 matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 8 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $24,358,009 as of June 30, 2024. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter is 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 Asset.

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.
- Evaluating 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 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 23, 2024

ZincX Resources Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		June 30, 2024		June 30, 2023
ASSETS					
Current Assets					
Cash		$	**688,552**	$	1,255,020
Receivables	3		**4,553**		7,591
Prepaid expenses			**24,795**		34,033
			717,900		1,296,644
Other assets	4		**332,500**		332,500
Equipment	7		**83,315**		110,568
Exploration and evaluation assets	8		**24,358,009**		24,358,009
		$	**25,491,724**	$	26,097,721
LIABILITIES					
Current Liabilities					
Trades payable and accrued liabilities	5	$	**75,929**	$	51,787
Due to related parties	12		**1,399,171**		1,403,105
			1,475,100		1,454,892
Government loan	6		**-**		38,057
			1,475,100		1,492,949
EQUITY					
Capital stock	9		**104,328,003**		103,333,303
Share subscription	9		**-**		1,000,000
Reserves	9		**15,431,500**		15,125,609
Deficit			**(95,742,879)**		(94,854,140)
			24,016,624		24,604,772
		$	**25,491,724**	$	26,097,721

Nature and continuance of operations (Note 1)

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

Approved on behalf of the Board of Directors:

"Peeyush Varshney"
Peeyush Varshney, Director

"John Thomas"
John Thomas, Director

ZincX Resources Corp.
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

		Share Capital					
	Note	Number of common shares	Common Shares Amount	Share Subscription	Reserves	Deficit	Total equity
Balance, June 30, 2022		**177,896,141**	**$ 103,333,303**	**$ -**	**$ 15,125,609**	**$ (94,289,475)**	**$ 24,169,437**
Share subscription received	9	-	-	1,000,000	-	-	1,000,000
Net loss for the year		-	-	-	-	(564,665)	(564,665)
Balance, June 30, 2023		**177,896,141**	**103,333,303**	**1,000,000**	**15,125,609**	**(94,854,140)**	**24,604,772**
Non-brokered private placement	9	10,000,000	1,000,000	(1,000,000)	-	-	-
Share issue costs	9	-	(5,300)	-	-	-	(5,300)
Share-based compensation	9	-	-	-	305,891	-	305,891
Net loss for the year		-	-	-	-	(888,739)	(888,739)
Balance, June 30, 2024		**187,896,141**	**$ 104,328,003**	**$ -**	**$ 15,431,500**	**$ (95,742,879)**	**$ 24,016,624**

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

ZincX Resources Corp.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

	Notes		2024		2023
EXPENSES					
Administration	12	**$**	**60,000**	$	60,000
Consulting	12		**-**		4,700
Depreciation of office equipment	7		**545**		2,218
Exploration expenses	8, 12		**181,352**		100,577
Interest expense	6		**1,943**		-
Management fees	12		**-**		15,000
Marketing and public relations			**30,488**		26,218
Office and miscellaneous	12		**68,000**		61,758
Professional fees			**45,679**		45,225
Regulatory and transfer agent fees			**24,957**		36,214
Rent			**69,900**		71,210
Repairs and maintenance			**-**		25,663
Share based compensation	9, 12		**305,891**		-
Travel and promotion			**18,904**		14,285
Wages and benefits			**196,567**		263,982
			(1,004,226)		(727,050)
Interest income			**64,487**		33,671
Gain on loan forgiveness	6		**10,000**		-
Other income	7		**41,000**		128,714
			115,487		162,385
Loss and comprehensive loss for the year		$	**(888,739)**	**$**	(564,665)
Earnings per share					
- basic and diluted		$	**(0.00)**	**$**	(0.00)
Weighted average number of shares outstanding					
- basic and diluted			**187,759,529**		177,896,141

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

ZincX Resources Corp.

Consolidated Statements of Cash Flows

For the years ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		**$ (888,739)**	$ (564,665)
Items not affecting cash:			
Depreciation of office equipment	7	**28,516**	32,700
Share-based compensation	9	**305,891**	-
Accrued interest on government loan	6	**1,943**	-
Gain on loan forgiveness	6	**(10,000)**	-
Other income	7	**-**	(34,121)
Changes in non-cash working capital items:			
Receivables		**3,038**	1,635
Prepaid expenses		**9,238**	27,455
Trades payable and accrued liabilities		**24,142**	(14,199)
Due to related parties		**(3,934)**	4,419
Net cash used in operating activities		**(529,905)**	(546,776)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	7	**(1,263)**	(3,026)
Net cash used in investing activities		**(1,263)**	(3,026)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue costs	9	**(5,300)**	-
Share subscription received in advance	9	**-**	1,000,000
Government loan	6	**(30,000)**	-
Net cash provided by (used in) financing activities		**(35,300)**	1,000,000
Change in cash during the year		**(566,468)**	450,198
Cash, beginning of year		**1,255,020**	804,822
Cash, end of year		**$ 688,552**	$ 1,255,020

Supplemental disclosure with respect to cash flows (Note 11)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

ZincX Resources Corp. (the "Company") is incorporated under the laws of the Province of British Columbia. The Company operates in one business segment, that being the exploration and evaluation of resource properties in Canada, and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and upon future profitable production.

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol ZNX. The Company's shares also trade in U.S. under the ticker symbol "ZNCXF" and on the Frankfurt Exchange under the symbol "M9R".

The Company's head office and principal address is Suite 2050-1055 West Georgia Street, Vancouver, BC V6E 3P3. The registered and records office is Suite 2501, 550 Burrard Street, Vancouver, BC, V6C 2B5.

These consolidated financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to commence profitable operations in the future. During the year ended June, 2024, the Company incurred a loss of $888,739 (2023 – $564,665). As at June 30, 2024, the Company has accumulated deficit of $95,742,879 (2023 - $94,854,140).

While the Company has been successful in obtaining its required financing in the past, mainly through the issuance of equity capital, there is no assurance that such financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. At June 30, 2024, the Company has a working capital deficiency of $757,200 (2023 – working capital deficiency of $158,248). Management may require to seek additional sources of financing in the form of equity or debt financing in the future to maintain its operations and its exploration activities for the fiscal year. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements were authorized for issue on October 23, 2024 by the directors of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

Statement of compliance

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

Basis of preparation

These consolidated financial statements of the Company have been prepared on an accrual basis except for certain cash flow information, and are based on historical costs, except for certain financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary.

Principles of consolidation

These consolidated financial statements include amounts of the Company and its wholly owned subsidiary Ecstall Mining Corp. ("Ecstall"), a company incorporated under the laws of the Province of British Columbia.

Subsidiaries are corporations in which the Company is able to control the financial operating, investing and financing activities and policies, which is the authority usually connected with holding majority voting rights. The consolidated financial statements include the accounts of the Company and its controlled entity from the date on which control was acquired. Ecstall uses the same reporting period and the same accounting policies as the Company.

All inter-entity balances and transactions, including unrealized profits and losses arising from inter-company transactions, have been eliminated in full on consolidation.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

Significant accounting judgements, estimates and assumptions *(cont'd)*

Critical judgments

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

Key Sources of Estimation Uncertainty

Significant estimates made by management affecting these consolidated financial statements include:

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumption about them.

Financial instruments

The fair values of financial instruments are estimated based upon market and third-party inputs. These estimates are subject to change with fluctuations in commodity prices, interest rates, foreign currency exchange rates and estimates of non-performance risk.

Deferred tax assets and liabilities

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

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

Useful life of equipment

Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, the potential for technological obsolescence, and regulations.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Provision for environmental rehabilitation

The Company assesses its provision for restoration, rehabilitation and environmental obligations on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning and restoration provisions requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. In addition, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

Financial instruments *(cont'd)*

(i) Classification *(cont'd)*

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. 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 if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income (loss) ("OCI"). On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI
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.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

Financial instruments *(cont'd)*

(iv) De-recognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on de-recognition are generally recognized in profit or loss.

The Company has made the following designations of its financial instruments:

Financial assets	
Cash	Amortized cost
Receivables	Amortized cost
Other assets	Amortized cost
Financial liabilities	
Trade payables and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Government loan	Amortized cost

Equipment

Equipment is recorded at cost less accumulated depreciation and impairment charges. Such cost consists of the purchase price, any costs directly attributable to bringing the equipment to the location and condition necessary for its intended use. Depreciation of equipment is calculated over the estimated useful lives as follows:

Camp equipment and fixtures	25%	declining balance method
Camp structures and upgrades	25%	declining balance method
Computers	55%	declining balance method
Office equipment and furniture	20%	declining balance method
License	55%	declining balance method

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

Equipment *(cont'd)*

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. The cost of replacing part of an item within equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

Exploration and evaluation assets

Upon acquiring the legal right to explore a mineral property (exploration and evaluation assets), all direct costs related to the acquisition of a mineral property are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and the decision to proceed with development are recognized in profit or loss as incurred, net of recoveries.

Development expenditures incurred to increase or to extend the life of existing production and incurred subsequent to the development decision, are capitalized and amortized on the unit-of-production method using estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to profit or loss during the period that such a determination is made.

Management reviews the facts and circumstances suggesting if the carrying amount of the exploration and evaluation assets exceeds their recoverable amount on a regular basis.

METC recoverable

Mining exploration tax credits ("METC") from the Government of British Columbia for certain exploration expenditures incurred in British Columbia are treated as a reduction of the exploration costs of the respective resource property. The Company records METC recoverable when its METC applications for a refund are approved by authorities as collection is reasonably assured.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

Impairment of long lived assets

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU 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 in profit or loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Flow-through shares

Canadian tax legislation permits a company to issue securities referred to as flow-through ("FT") shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. The Company accounts for FT shares whereby the premium, if any, paid for the FT share in excess of the market value of the shares without a FT feature at the time of issue is initially recorded to FT premium liability and then included in profit or loss, as a FT premium, at the same time the qualifying expenditures are made.

Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation and discount rates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted for the market discount rate.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

Provision *(cont'd)*

Over time the discounted liability is increased for the changes in the present value based on the current market discount rates and liability risks. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost. The Company has no significant provisions for the periods presented.

Capital stock

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. Common shares issued for consideration other than cash, are valued based on the value of goods or services received, unless that value cannot be determined, then based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share-based compensation

The Company operates an employee share option plan. The fair value of share-based compensation to employees is measured at grant date using the Black-Scholes option pricing model, and is recognized over the vesting period using the graded vesting method. The fair value of share-based compensation to non-employees is measured at the date the goods or services are received, at either the fair value of the goods or services received or the fair value of the equity instruments issued using the Black-Scholes option pricing model, if the fair value of the goods or services received cannot be readily measured.

For both employees and non-employees, the fair value is recognized as an expense with a corresponding increase in reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. For share options granted with vesting terms conditional upon the achievement of a performance condition, and the performance condition is not a market condition, the Company revises its estimates of the length of the vesting period, if necessary, when information arises that indicates that the length of the vesting period differs from previous estimates. When this occurs, the change in estimate is accounted for prospectively.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

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 period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded, providing for 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 relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the 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.

Loss per share

Loss per share is computed by dividing loss available to common shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of share options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding share options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Comprehensive loss

Comprehensive loss consists of loss and other comprehensive loss and represents the change in equity which results from transactions and events from sources other than the Company's shareholders.

Joint arrangements

The Company holds interest in a joint arrangement with Teck Resources Ltd. ("Teck") and its partner Korea Zinc Co., Ltd. ("Korea Zinc") (Note 8), which is to be involved in mineral exploration of the Pie, Yuen and Cirque East properties. No separate entity was created upon entering the JV agreement. All decisions regarding exploration of the property will be made by a management committee consisting of two appointees by each of the Company and Teck. Teck will be acting as an operator. The Company classifies this joint arrangement as a joint operation.

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

Joint arrangement *(cont'd)*

A joint operation implies that the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. In relation to its interest in a joint operation the Company recognizes its assets, including its share of any assets held jointly, its liabilities, including its share of any liabilities incurred jointly, its revenue from the sale of its share of the output arising from the joint operation, and expenses, including its share of any expenses incurred jointly.

Recent accounting pronouncements

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

IAS 1 *Presentation of Financial Statements* aims to replace all instances of the term 'significant accounting policies' with 'material accounting policies'. Accounting policies are material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The adoption of these amendments did not materially impact the consolidated financial statements of the Company.

IFRS 18 *Presentation and Disclosure in Financial Statements* which will replace IAS 1 *Presentation of Financial Statements* 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 January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is in the process of assessing the impact on the consolidated financial statements of the new standard.

3. RECEIVABLES

	June 30, 2024	June 30, 2023
Government Sales Tax credits	$ 2,307	$ 5,617
Accrued interest (Note 4)	2,246	1,974
	$ 4,553	$ 7,591

The Company anticipates full recovery of its receivables and, therefore, no provision has been recorded against these amounts.

(Expressed in Canadian Dollars)

4. OTHER ASSETS

Other assets comprise of reclamation bonds totaling $332,500 (2023 – $332,500) posted as security deposits with the Government of British Columbia in relation to the Akie and Kechika Regional properties (Note 8). The reclamation bonds are deposited in GICs through a financial institution and earn an average annual variable interest rate of approximately prime minus 2.95% with a minimum of 0.25% and reinvested on an annual basis immediately at maturity. Interest accrued on the GICs is included in receivables (Note 3).

5. TRADE PAYABLES AND ACCRUED LIABILITIES

	June 30, 2024	June 30, 2023
Exploration payables	$ -	$ 3,140
Other trade payables	35,929	8,343
Accrued liabilities	40,000	40,304
	$ 75,929	$ 51,787

6. CEBA LOAN

On April 30, 2020, the Company received the Canada Emergency Business Account ("CEBA") loan which is an interest-free loan to cover operating costs. The CEBA loan was launched by the government of Canada to support businesses by providing financing for their expenses that cannot be avoided or deferred, and assisting businesses for successful relaunch when the economy recovers from COVID-19. Repaying the balance of the loan on or before January 18, 2024, as extended from December 31, 2022 and from December 31, 2023 by the Government of Canada, will result in a loan forgiveness of $10,000.

Pursuant to IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the benefit of a government loan at below-market rate is treated as a government grant and measured in accordance with IFRS 9 *Financial Instruments:* the benefit of below-market rate shall be measured as the difference between initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. In fiscal 2020, the Company estimated the initial carrying value of the CEBA Loan at $30,671, using a discount rate of 10%, which was the estimated rate for a similar loan without interest-free component. The difference of $9,329 was accredited to the loan liability over the term of the CEBA Loan and offset to other income on the statement of loss and comprehensive loss. On December 31, 2022, the terms of the loan was extended for repayment on or before December 31, 2023. The Company revalued the initial carrying value of the CEBA loan at $27,764, using a discount rate of 10%, which was the estimated rate for a similar loan without interest-free component. As a result, the loan ending balance as at June 30, 2022 was changed to $34,450 and an adjustment of $3,607 was made accordingly.

(Expressed in Canadian Dollars)

6. CEBA LOAN *(cont'd)*

During the year ended June 30, 2024, the Company accrued finance expense of $1,943 (2023 - $3,607). On December 14, 2023, the Company repaid $30,000 of the CEBA loan and received a loan forgiveness of $10,000.

		June 30, 2024		June 30, 2023
Balance, beginning of year	$	38,057	$	38,057
Adjustments		-		(3,607)
Finance expense		1,943		3,607
Repayment		(30,000)		-
Loan forgiveness		(10,000)		-
Balance, end of year	$	-	$	38,057

(Expressed in Canadian Dollars)

7. EQUIPMENT

	Computers	Office equipment and furniture	License(1)	Camp equipment and fixtures(1)	Camp structures and upgrades(1)	Total
Cost:						
At June 30, 2022	$ 16,906	$ 21,748	$ 41,140	$ 417,020	$ 654,554	**$ 1,151,368**
Acquisition	–	–	1,188	1,838	34,121	37,147
At June 30, 2023	16,906	21,748	42,328	418,858	688,675	1,188,515
Acquisition	–	–	1,263	–	–	1,263
At June 30, 2024	$ 16,906	$ 21,748	$ 43,591	$ 418,858	$ 688,675	**$ 1,189,778**
Accumulated depreciation:						
At June 30, 2022	$ 15,369	$ 18,347	$ 39,502	$ 359,647	$ 612,382	**$ 1,045,247**
Depreciation	1,537	681	1,787	14,420	14,275	32,700
At June 30, 2023	16,906	19,028	41,289	374,067	626,657	**1,077,947**
Depreciation	–	545	1,198	11,228	15,545	28,516
At June 30, 2024	$ 16,906	$ 19,573	$ 42,487	$ 385,295	$ 642,202	**$ 1,106,463**
Net book value:						
At June 30, 2023	$ –	$ 2,720	$ 1,039	$ 44,791	$ 62,018	**$ 110,568**
At June 30, 2024	$ –	$ 2,175	$ 1,104	$ 33,563	$ 46,473	**$ 83,315**

(1) License, camp equipment and fixtures and camp upgrades are used for exploration and evaluation activities. Depreciation for these items of $27,971 for the year ended June 30, 2024 (2023 - $20,340) has been expensed to exploration expenditures (Note 8). Depreciation of the remaining items of $545 (2023 - $2,218) has been expensed to operations.

(2) During the year ended June 30, 2024, the Company had other income of $41,000 (2023- $128,714) for the use of Akie camp facilities and services of which $nil (2023- $34,121) was capitalized.

8. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its claims are in good standing.

Akie Property, British Columbia

The Akie property is the Company's flagship exploration project and is host to the Cardiac Creek SEDEX Zn-Pb-Ag deposit. The Company owns a 100% interest in the Akie property, which resulted from Company expenditures and the acquisition of Ecstall Mining Corporation.

Kechika Regional project, British Columbia

The Kechika Regional project, represented by a series of contiguous property blocks including Pie and Mt. Alcock, extends northwest from the Akie property. The Company owns a 100% interest in these properties, which were acquired during fiscal 2007 and 2008, including the acquisition of Ecstall, except as described below. The interest in the Mt. Alcock property is subject to a 1.0 % net smelter royalty.

In September 2013, the Company entered into an option agreement (the "Agreement') with Teck Resources Limited ("Teck") pursuant to which Teck could acquire up to a 70% interest in the Company's Pie, Cirque East and Yuen properties (the "Property"), three of the 10 regional properties that make up the Kechika Regional Project, on or before September 30, 2019.

In December 2017, Teck and Korea Zinc completed the requirements of the First Option to earn a 51% interest in the Property and in January 2018, Teck and Korea Zinc informed the Company that they would not be proceeding with the Second Option to earn an additional 19% interest in the Property. According to the terms of the Agreement, the parties will continue exploration of the Property under a Joint Venture arrangement on the 49%-51% basis, with Teck acting as the operator.

In August 2023, the Company entered into an option agreement (the "Option Agreement") with an arm's length third party (the "Optionee") pursuant to which the Optionee may acquire 100% ownership of certain mineral claims that make up the Kechika North Project; the northern extension of the Company's Akie Property.

The Optionee has an option to acquire an undivided 100% legal and beneficial right, title and interest in and to the Kechika North Project for a cash payment of $3,000,000; to be made within two (2) years from the effective date of the agreement being August 10, 2023.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Exploration and evaluation assets costs are set out below:

	Akie Property	Kechika Regional	Total
Acquisition Costs:			
Balance, June 30, 2023 and 2024	$ 24,165,241	$ 192,768	**$ 24,358,009**

The table below is a summary of exploration expenditures recognized in profit or loss for the year ended June 30, 2023 and 2024

	Akie Property	Kechika Regional	Total
Cumulative exploration expenditures			
Total balance, June 30, 2022	**$ 48,717,412**	**$ 4,431,370**	**$ 53,148,782**
Camp equipment, depreciation (Note 7)	30,482	–	30,482
Drilling	9,401	–	9,401
Geology	93,320	–	93,320
Environmental studies and permit compliance	16,406	–	16,406
METC recoverable	(49,032)	–	(49,032)
Total exploration expenditures for the year ended June 30, 2023	100,577	–	100,577
Total balance, June 30, 2023	48,817,989	4,431,370	53,249,359
Camp equipment, depreciation (Note 7)	27,971	–	27,971
Camp operating and maintenance	50	–	50
Drilling	2,683	–	2,683
Geology	88,392	–	88,392
Geophysics	19,406	–	19,406
Environmental studies and permit compliance	55,012	–	55,012
METC recoverable	(12,162)	–	(12,162)
Total exploration expenditures for the year ended June 30, 2024	181,352	–	181,352
Total balance, June 30, 2024	**$ 48,999,341**	**$ 4,431,370**	**$ 53,430,711**

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

The Company applies for the 20% British Columbia METC and the enhanced tax credit of an additional 10% for Mountain Pine Beetle affected areas, on qualified mining exploration costs incurred. During the year ended June 30, 2024, the Company claimed and received BC METC of $12,162 (2023- $49,032) and $437 (June 30, 2023- $437) in accumulated interest for its fiscal 2021 exploration expenditures above renounced under its flow-through commitments.

9. CAPITAL STOCK AND RESERVES

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

During the year ended June 30, 2024, the Company completed a non-brokered private placement by issuing 10,000,000 common shares at a price of $0.10 per share for gross proceeds of $1,000,000. The Company also recorded share issuance costs of $5,300 in connection with the private placement.

There were no transactions affecting share capital during the year ended June 30, 2023.

(c) Share subscription received in advance

During the year ended June 30, 2023, the Company received a share subscription of $1,000,000 (2022- $Nil) in connection with the non-brokered private placement of 10,000,000 shares at a price of $0.10 per share (Note 9(b)), and upon closing, reclassified the subscription receipt to share capital.

(Expressed in Canadian Dollars)

9. CAPITAL STOCK AND RESERVES (cont'd)

(d) Share options

The Company adopted a 20% fixed share option plan whereby the Company had reserved 33,774,275 common shares under the plan. The term of any options granted under the plan is fixed by the Board of Directors and may not exceed ten years from date of grant.

The number of options granted to a consultant in a 12 month period must not exceed 2% of the issued shares of the Issuer from the date of grant. Options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vesting in any 3 months period. Share options granted to directors, officers and employees of the Company vest immediately.

During the year ended June 30, 2024, the Company granted an aggregate of 4,180,000 share options to directors, officers, employees and consultants of the Company at an exercise price of $0.10 expiring September 29, 2033. Of the 4,180,000 share options, 3,830,000 share options vested immediately and 350,000 share options were subject to vesting over a period of 24 months.

During the year ended June 30, 2024, the Company recorded share-based compensation expense of $305,891 on the vested portion of the stock options.

There were no stock options granted nor share-based compensation recorded during the year ended June 30, 2023.

Share option transactions are summarized as follows:

	Options Outstanding	Weighted Average Exercise Price
Outstanding, June 30, 2022	8,344,900	$ 0.18
Expired	(50,000)	0.12
Outstanding, June 30, 2023	8,294,900	0.18
Granted	4,180,000	0.10
Expired	(144,900)	0.12
Outstanding, June 30, 2024	12,330,000	$ 0.15

(Expressed in Canadian Dollars)

9. CAPITAL STOCK AND RESERVES (cont'd)

(d) Share options (cont'd)

Share options outstanding and exercisable at June 30, 2024 are summarized as follows:

Number of Options	Exercise Price	Expiry Date	Remaining Life of Options (Years)	Number of Options Exercisable
3,680,000	$ 0.23	April 10, 2025	0.78	3,680,000
60,000	$ 0.33	July 3, 2026	2.01	60,000
700,000	$ 0.12	July 3, 2026	2.01	700,000
110,000	$ 0.40	September 13, 2026	2.21	110,000
395,000	$ 0.12	September 13, 2026	2.21	395,000
80,000	$ 0.30	February 9, 2028	3.61	80,000
650,000	$ 0.12	February 9, 2028	3.61	650,000
2,475,000	$ 0.12	February 6, 2030	5.61	2,475,000
3,830,000	$ 0.10	September 23, 2033	9.24	3,830,000
350,000	$ 0.10	September 23, 2033	9.24	230,152
12,330,000	$ 0.15		4.92	12,210,152

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

The following weighted average assumptions were used to estimate the grant date fair values:

	June 30, 2024	June 30, 2023
Number of options granted	4,180,000	-
Risk free interest rate	4.08%	-
Expected dividend yield	0%	-
Stock price volatility	82.91%	-
Expected life of options	10 years	-
Weighted average fair value of options	$ 0.08	-
Forfeiture	0%	-

(Expressed in Canadian Dollars)

9. CAPITAL STOCK AND RESERVES (cont'd)

(e) Warrants

Share purchase warrants transactions are summarized as follows:

	Warrants Outstanding	Weighted Average Exercise Price	Expiry Date	Remaining Life of Warrants (Years)
Balance, June 30, 2022	3,750,000	$ 0.40	April 9, 2023	0.78
Expired	(3,750,000)	0.40	April 9, 2023	-
Balance, June 30, 2023 and 2024	-	$ -		-

(f) Reserves

	Options and agent warrants	Finance warrants	Treasury shares	Total
Balance, June 30, 2022 and 2023	$ 10,664,453	$ 2,204,276	$ 2,256,880	$ 15,125,609
Share-based compensation	305,891	–	–	305,891
Balance, June 30, 2024	$ 10,970,344	$ 2,204,276	$ 2,256,880	$ 15,431,500

10. INCOME TAXES

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

	2024	2023
Net loss before income taxes	$ (888,739)	$ (564,665)
Expected income tax recovery at statutory tax rates	$ (240,000)	$ (152,000)
Change in statuary rates and other	12,000	(19,000)
Change in unrecognized deductible temporary differences	228,000	171,000
Total deferred tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

10. INCOME TAXES (cont'd)

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

Deferred tax assets (liabilities)	2024	2023
Exploration and evaluation assets	$ 6,175,000	$ 6,118,000
Share issue costs	4,000	6,000
Non-capital losses	7,691,000	7,543,000
Property and equipment	332,000	324,000
Allowable capital losses	235,000	218,000
Investment tax credits	517,000	517,000
Total deferred income tax liabilities	$ 14,954,000	$ 14,726,000

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:

Temporary differences	2024	Expiry date range	2023	Expiry date range
Exploration and evaluation assets	$ 22,870,000	No expiry date	$ 22,658,000	No expiry date
Share issue costs	$ 14,000	No expiry date	$ 21,000	No expiry date
Non-capital losses	$ 28,484,000	2026 to 2044	$ 27,936,000	2026 to 2043
Property and equipment	$ 1,228,000	No expiry date	$ 1,200,000	No expiry date
Allowable capital losses	$ 872,000	No expiry date	$ 808,000	No expiry date
Investment tax credits	$ 708,000	2020 to 2040	$ 708,000	2020 to 2040

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

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the year ended June 30, 2024 and 2023 included:

- exploration and evaluation expenditures of $1,575 in trade payables and accrued liabilities' recovery (2023 - $3,140 in trade payables and accrued liabilities) (Note 5); and
- depreciation of camp equipment and upgrades of $27,971 (2023 - $30,482) included in exploration expenses (Note 8).

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

Key management personnel includes persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and Vice President of Exploration.

The remuneration of the key management personnel during the years ended June 30, 2024 and 2023 were as follows:

June 30,		2024		2023
Exploration and evaluation expenditures (geological consulting) (ii)	$	80,640	$	95,020
Management fees (i)		-		15,000
Administrative fees (i)		60,000		60,000
Other employment benefits (iii)		25,890		25,785
Share based compensation (v)		155,984		-
Total	$	322,514	$	195,805

Transactions with key management and other related party transactions:

(i) Pursuant to a management and administrative services agreement amended effective July 1, 2011 and May 1, 2014 with Varshney Capital Corp. ("VCC"), a company with two common directors, the Company agreed to pay monthly management and administrative fees of $29,500 and $5,000, respectively. Effective March 1, 2020, the management fees were reduced to $15,000 per month. Effective August 1, 2022, VCC provided a six-month relief on management fees of $15,000 per month expiring January 31, 2023. During the year ended June 30, 2024, VCC agreed to extend the relief on management fees of $15,000 per month on a month to month basis.

During the year ended June 30, 2024, the Company paid $nil (2023 – $15,000) for management fees and $60,000 (2023 – $60,000) for administrative fees to VCC;

(ii) the Company paid or accrued exploration and evaluation costs of $80,640 (2023 - $95,020) for geological consulting fees to a company owned by VP of Exploration of the Company. This amount was included in exploration expenses;

(iii) other employment benefits included life insurance and health benefits for the CEO and health benefits for the CFO of the Company;

(iv) the Company owed $484 (2023 - $4,419) to the CEO of the Company for exploration and office expenses paid on behalf of the Company.

(v) The Company recorded share-based compensation expense of $155,984 (2023 - $nil) on the vested portion of the stock options granted to directors and officers of the Company.

(vi) the Company received an advance of $1,398,686 in fiscal year 2020 from a significant shareholder, Tongling Non-Ferrous Metals ("Tongling"), to fund a drill program on the Akie Property, which remains payable as at June 30, 2023 and 2024.

(Expressed in Canadian Dollars)

13. CAPITAL MANAGEMENT

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties, and support any expansionary plans. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its capital to be equity.

The Company's operations are currently not generating positive cash flow; as such, the Company is dependent on external financing to fund its activities. In order to carry out potential expansion and to continue operations, and pay for administrative costs, the Company will spend its existing working capital, and raise additional amounts as needed. Companies in this stage typically rely upon equity and debt financing or joint venture partnerships to fund their operations.

There is no certainty with respect to the Company's ability to raise capital. Management may require to seek additional sources of financing in the form of equity or debt financing in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's overall strategy with respect to capital risk management remained unchanged during the year ended June 30, 2024. The Company is not subject to any externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments as at June 30, 2024 were as follows:

		Amortized Cost
Financial assets		
Cash	$	688,552
Receivables		4,553
Other assets		332,500
Financial liabilities		
Trade payables and accrued liabilities		75,929
Due to related parties		1,399,171
	$	2,500,705

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

i) Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
ii) Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
iii) Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The carrying value of cash, receivables, other assets, trade payables and accrued liabilities, and due to related parties approximate their fair value because of the short-term nature of these instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank deposits of $688,552 (2023 - $1,255,020). This risk is managed by using major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes and interest accrued on GIC investments.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash. As at June 30, 2024, the Company was holding cash of $688,552 (2023 - $1,255,020) to settle its current liabilities of $1,475,100 (2023 - $1,454,892). Management may be required to seek additional sources of financing in the form of equity or debt financing in the future.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, has exposure to these risks.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

a. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to significant interest rate risk.

b. Currency Risk

The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

c. Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors certain commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of resource properties in Canada. All of the Company's assets are located in Canada.