CANSTAR RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

To the Shareholders of Canstar Resources Inc.:

Opinion

We have audited the consolidated financial statements of Canstar Resources Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and June 30, 2023, and the consolidated statements of operationsand comprehensive loss, cashflows and changes in equity for the years ended June 30, 2024 and June 30, 2023, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2024 and June 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years ended June 30, 2024 and June 30, 2023 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 audits 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2024 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 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.

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

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Other Information

Management is responsible for the other information. The other information comprises 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 audits 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 audits 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 on this other information, 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 International Financial Reporting 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.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Zahra Alnoor Bhanji.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

October 16, 2024 — Licensed Public Accountants

CANSTAR RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

As at		June 30, 2024		June 30, 2023
ASSETS				
Current				
Cash and cash equivalents	**$**	**38,944**	$	450,096
Amounts receivable and prepaid expenses		**53,955**		29,174
Advances receivable		**28,028**		28,028
Marketable securities (Note 4)		**424,287**		375,746
Investments (Note 5)		**31,150**		57,400
Total current assets		**576,364**		940,444
Golden Baie security deposit (Note 6)		**-**		96,524
Equipment (Note 7)		**13,009**		15,591
Total assets	**$**	**589,373**	$	1,052,559
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 11)	**$**	**117,611**	$	281,444
Total liabilities		**117,611**		281,444
SHAREHOLDERS' EQUITY				
Capital stock (Note 8(b))		**31,014,239**		30,278,135
Warrants (Note 8(d))		**343,072**		1,265,807
Share-based payment reserve (Note 8(c))		**1,427,845**		1,331,581
Shares to be issued		**-**		200,000
Deficit		**(32,313,394)**		(32,304,408)
Total shareholders' equity		**471,762**		771,115
Total liabilities and shareholders' equity	**$**	**589,373**	$	1,052,559

Nature and Continuance of Operations (Note 1 and 3)
Commitments and Contingencies (Notes 6 and 14)
Subsequent Events (Note 15)

APPROVED ON BEHALF OF THE BOARD:

"N. Burns", Director

"R. Bruggeman", Director

See accompanying notes to the consolidated financial statements.

CANSTAR RESOURCES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	Year Ended June 30, 2024	2023
Operating expenses		
Exploration and evaluation expenditures (Note 6)	**$ 702,411**	$ 4,810,698
Share-based payment (Notes 8(c) and 11)	**60,163**	260,664
Interest and bank charges	**2,321**	34,198
Transfer agent and filing fees	**31,126**	27,133
Management fees (Note 11)	**261,211**	253,058
Professional fees	**123,765**	144,208
General and office expenses	**39,221**	156,787
Shareholder information	**2,110**	6,306
Depreciation (Note 7)	**3,118**	3,920
Rent (Note 11)	**7,700**	7,200
Travel	**41,855**	746
Total operating expenses	**1,275,001**	5,704,918
Loss before items below:	**(1,275,001)**	(5,704,918)
Interest and dividend income (Note 4)	**23,177**	47,233
Fair value adjustment on investments (Note 5)	**(26,250)**	(13,300)
Flow-through premium	**-**	85,285
Net loss and comprehensive loss for the year	**$ (1,278,074)**	$ (5,585,700)
Net loss per share - basic and diluted	**$ (0.01)**	$ (0.05)
Weighted average number of shares - basic and diluted (Note 13)	**124,448,240**	110,006,091

See accompanying notes to the consolidated financial statements.

CANSTAR RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

	Year Ended June 30, 2024	2023
CASH FLOWS (USED IN) OPERATING ACTIVITIES		
Net loss for the year	**$ (1,278,074)**	$ (5,585,700)
Charges not involving cash:		
Share-based payment expense	**60,163**	260,664
Share-based payment included in exploration and evaluation expenditures	**39,382**	103,652
Common shares issued and to be issued for exploration property interest	**35,333**	326,222
Depreciation	**3,118**	3,920
Flow-through premium	**-**	(85,285)
Fair value adjustment on investments	**26,250**	13,300
	(1,113,828)	(4,963,227)
Changes in non-cash working capital items:		
Amounts receivable, prepaid expenses and Golden Baie Security deposit	**71,743**	662,980
Advances receivable	**-**	49,830
Accounts payable and accrued liabilities	**(163,833)**	161,697
Cash flows used in operating activities	**(1,205,918)**	(4,088,720)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement financing	**856,215**	-
Share issue costs	**(12,372)**	-
Cash flows from financing activities	**843,843**	-
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	**989,591**	5,114,100
Interest income	**15,887**	-
Purchase of marketable securities	**(1,054,555)**	(775,246)
Purchase of equipment	**-**	(1,289)
Cash flows (used in) from investing activities	**(49,077)**	4,337,565
Change in cash and cash equivalents	**(411,152)**	248,845
Cash and cash equivalents, beginning of year	**450,096**	201,251
Cash and cash equivalents, end of year	**$ 38,944**	$ 450,096
SUPPLEMENTAL INFORMATION		
Interest income received	**$ 18,852**	$ 41,851
Shares to be issued	**$ -**	$ 200,000
CASH AND CASH EQUIVALENTS		
Cash	**$ 38,944**	$ 398,590
Cash equivalents	**-**	51,506
	$ 38,944	$ 450,096

See accompanying notes to the consolidated financial statements.

CANSTAR RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Capital Stock	Shares to be Issued	Warrants	Share-based Payment Reserve	Deficit	Total
Balance, June 30, 2022 (Restated, see Note 3)	**$ 30,151,913**	**$ -**	**$ 2,858,506**	**$ 1,583,419**	**$ (28,927,561)**	**$ 5,666,277**
Share-based payment expense	-	-	-	364,316	-	364,316
Expiry of stock options	-	-	-	(616,154)	616,154	-
Common shares issued for exploration property interest	126,222	200,000	-	-	-	326,222
Expiry of warrants	-	-	(1,592,699)	-	1,592,699	-
Net loss for the year	-	-	-	-	(5,585,700)	(5,585,700)
Balance, June 30, 2023	**$ 30,278,135**	**$ 200,000**	**$ 1,265,807**	**$ 1,331,581**	**$ (32,304,408)**	**$ 771,115**

	Capital Stock	Shares to be Issued	Warrants	Share-based Payment Reserve	Deficit	Total
Balance, June 30, 2023	**$ 30,278,135**	**$ 200,000**	**$ 1,265,807**	**$ 1,331,581**	**$ (32,304,408)**	**$ 771,115**
Share-based payment expense	-	-	-	99,545	-	99,545
Issuance of shares private placement	513,143	-	343,072	-	-	856,215
Share issue costs	(12,372)	-	-	-	-	(12,372)
Expiry of stock options	-	-	-	(3,281)	3,281	-
Common shares issued and to be issued for property interest	235,333	(200,000)	-	-	-	35,333
Expiry of warrants	-	-	(1,265,807)	-	1,265,807	-
Net loss for the year	-	-	-	-	(1,278,074)	(1,278,074)
Balance, June 30, 2024	**$ 31,014,239**	**$ -**	**$ 343,072**	**$ 1,427,845**	**$ (32,313,394)**	**$ 471,762**

See accompanying notes to the consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Canstar Resources Inc. (the "Company" or "Canstar") was formed by amalgamation on April 5, 2005. The Company's registered and head office is located at 220 Bay Street, Suite 550, Toronto, Ontario, M5J 2W4.

The consolidated financial statements were approved by the Board of Directors on October 16, 2024.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the expenditures incurred on the mineral properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing necessary to complete development of the properties, and the future profitable production therefrom or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

These consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next 12 months. At June 30, 2024, the Company had an accumulated deficit since inception and expects to incur further losses in the advancement of its exploration and evaluation properties. The Company will need to generate additional financial resources in order to advance and develop its exploration and evaluation properties and there is a risk that additional financing will not be available to the Company on a timely basis or on acceptable terms. There are no assurances that the Company will complete its anticipated financing, obtain additional financial resources and/or achieve positive cash flows or profitability. If the Company is unable to obtain adequate financing, the Company may ultimately be required to curtail its operations and discontinue as a going concern. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. If the going concern assumption were not appropriate, adjustments would be necessary to the carrying values of the assets and liabilities, reported revenues and expenses, and statement of financial position classifications in these consolidated financial statements. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. BASIS OF PREPARATION

Statement of compliance:

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared in compliance with IFRS and in accordance with the accounting policies described in Note 3, Summary of Material Accounting Policies. The policies set out below have been consistently applied to all the periods presented, unless otherwise noted.

Basis of measurement:

These consolidated financial statements have been prepared on the historical cost basis except for those financial instruments carried at fair value. In addition, these consolidated financial statements are prepared using the accrual basis of accounting except for cash flow information.

Basis of preparation:

These consolidated financial statements have been prepared on the basis of a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. These consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern; such adjustments could be material.

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Adventus Newfoundland Corporation, which was acquired by the Company on July 30, 2018 and dissolved on November 2, 2022.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the consolidated financial statements for the years ended June 30, 2024 and 2023.

Functional and presentation currency:

The Company's and its subsidiary's presentation and functional currency is the Canadian dollar. The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the consolidated statements of operations and comprehensive loss.

Investments:

The Company has elected to irrevocably designate its investments and marketable securities as fair value, through profit or loss ("FVTPL"). Gains and losses in respect of these investments are recognized in net income or loss, as a fair value adjustment on investments, in the consolidated statements of operations and comprehensive loss.

Income taxes:

Income tax 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 or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income taxes (continued):

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Financial instruments:

<u>Recognition</u>

The Company recognizes a financial asset or financial liability on the consolidated statements of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

<u>Classification and Measurement</u>

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss or through other comprehensive income (“FVTOCI”); and
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- Amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued):

Classification and Measurement (continued)

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consists of cash and cash equivalents, marketable securities and investments, which are classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in net loss, amounts receivable and advance receivable, which is classified as subsequently measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial 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 at 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.

Fair Value Hierarchy

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Share-based payments:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in the stock option note.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the consolidated statements of operations and comprehensive loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Flow-through shares:

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow- through regulations. When applicable, this tax is accrued as a financial expense until paid.

Exploration and evaluation expenditures:

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily changed its accounting policy in FY 2023 with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 - Exploration for and Evaluation of Mineral Resources and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy has been applied retrospectively. In prior periods the Company's policy was to defer exploration expenditures until such time as the properties are put into commercial production, sold or become impaired. The Company elected to change this accounting policy to expense exploration expenditures as they are incurred, on a retrospective basis.

The change in accounting policy requires full retrospective application. The June 30, 2022 balances were restated in FY 2023 for the change in policy.

Provisions:

General

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event, and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statements of operations and comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, dismantling operating facilities, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the exploration or production location. When the liability is initially recognized, the present value of the estimated cost is charged to operations. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of operations and comprehensive loss as a finance cost. Additional disturbances or changes in rehabilitation costs are recognized as additions or charges to operations and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the consolidated statements of operations and comprehensive loss.

The Company does not currently have any such significant legal or constructive obligations and therefore no decommissioning liabilities have been recorded as at June 30, 2024 and 2023.

Critical judgments and estimation uncertainties:

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

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

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Expenditure deductions for income tax purposes related to exploratory activities funded by flow-through equity instruments are renounced to investors in accordance with income tax legislation. The difference between the value ascribed to flow-through shares issued and the value that would have been received for common shares at the date of issuance of the flow-through shares is initially recognized as a liability on the consolidated statement of financial position. The liability is reversed when tax benefits are renounced and a deferred tax liability is recognized at that time. Income tax expense is the difference between the amount of the deferred tax liability and the liability recognized on issuance.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Critical judgments and estimation uncertainties (continued):

Estimation of decommissioning and restoration costs and the timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes determined based on the net present value of estimated future cashflows, laws and regulations and negotiations with regulatory authorities.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments

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

Going concern

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, anticipated sales and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due.

As at June 30, 2024, the Company had a deficit of $32,313,394 (June 30, 2023 - $32,304,408) and working capital of $458,753 (June 30, 2023 - $659,000). The Company's ability to continue operations and fund its future exploration property expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management believes that working capital at June 30, 2024 is not sufficient to support planned operations for at least the next 12 months. The Company may ultimately curtail its operations and continue as a going concern.

(EXPRESSED IN CANADIAN DOLLARS)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

New Standards Adopted

The Company adopted no new IFRS standards, interpretations, amendments nor improvements of existing standards.

Future Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after July 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. This amendment is effective for period beginning on or after Jan 1, 2024. It is concluded that this would have no impact on the consolidated financial statements.

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

4. MARKETABLE SECURITIES

The Company's marketable securities include GICs.

During the year ended June 30, 2024, the Company earned interest and dividend income of $23,177, (year ended June 30, 2023 - $47,233) from investment activity.

Marketable securities have been designated as fair value through profit or loss and are recorded at fair value, with changes recognized in the consolidated statements of operations and comprehensive loss.

Marketable securities are composed of:

	As at June 30, 2024	**As at June 30, 2023**
GICs	**$ 424,287**	$ 375,746

(EXPRESSED IN CANADIAN DOLLARS)

5. INVESTMENTS

On April 25, 2019, the Company entered into a definitive agreement with Angus Gold Inc. (formerly Angus Ventures Inc.) ("Angus"), whereby it sold its 75% interest in the Slate Bay Property to Angus for consideration of $30,000 and 70,000 shares in the common stock of Angus.

As at June 30, 2024	Number of Common Shares	Cost	Market Value Adjustment	Fair Value
Angus Gold Inc. ("Angus")	70,000	$ 14,000	$ 17,150	$ 31,150

As at June 30, 2023	Number of Common Shares	Cost	Market Value Adjustment	Fair Value
Angus	70,000	$ 14,000	$ 43,400	$ 57,400

The investment in shares of Angus is classified as Level 1 within the Fair Value Hierarchy.

6. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

Golden Baie property	Year Ended June 30, 2023
Option payments	$ 434,732
Recovered from government	(112,459)
Access	102,569
Assaying	580,474
Drilling	1,280,597
Equipment, rentals, camp and general	458,723
Field supplies	152,516
Geological consulting	818,820
Labour and supervision	897,863
Travel	196,863
Total exploration and evaluation activity for the year ended June 30, 2023	$4,810,698

	Mary March Property	Buchans-Mary March Properties	Golden Baie Property	Total
Option payments	$ -	$ -	$ 169,383	$ 169,383
Recovered from government	-	-	(98,604)	(98,604)
Access	-	-	43,951	43,951
Property Acquisition	-	-	35,333	35,333
Assaying	-	-	1,159	1,159
Equipment, rentals, camp and general	13,200	-	33,225	46,425
Field supplies	18,586	-	25,821	44,407
Geological consulting	6,300	24,711	138,884	169,895
Claims, maintenance fees	-	-	22,019	22,019
Labour and supervision	3,715	6,078	247,463	257,256
Travel	-	-	11,187	11,187
Total exploration and evaluation activity for the year ended June 30, 2024	$ 41,801	$ 30,789	$ 629,821	$ 702,411

6. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

a) Golden Baie Property

The Golden Baie Property is comprised of mineral exploration licenses located in south-central Newfoundland. On August 26, 2020, the Company signed a binding letter agreement with Altius Resources Inc. ("Altius"), a wholly owned subsidiary of Altius Minerals Corporation, and other arm's length parties for the option to acquire a 100% interest in mineral claims.

On November 18, 2020, the Company closed an option agreement with Altius and other arm's length parties (collectively, the "Optionors"). Under the Option agreement, the Company can earn a 100% undivided interest in the Golden Baie claims over a four year period for the following considerations:

- Issuance of 4,000,000 common shares (issued and valued at $1,120,000) of the Company to Altius upon receipt of TSX Venture Exchange's approval. These were issued in November 2020;
- Aggregate cash payment of $50,000 (paid) and issuance of an aggregate of 2,000,000 common shares (issued and valued at $560,000) to the Optionors upon signing of the definitive agreements (the “Definitive Agreements”). This payment and the shares were issued in November 2020;
- Issuance of 2,000,000 common shares to Altius on the first anniversary of the signing of the Definitive Agreements. The shares were issued in December 2021.
- Payment of an aggregate cash payment of $50,000 and issuance of an aggregate of 1,000,000 common shares to the Optionors on the first anniversary of the Definitive Agreements. The cash payment was made and the common shares were issued in December 2021.
- Issuance of 2,500,000 common shares to Altius on the second anniversary of the Definitive Agreements. These were issued in October 2023. Refer to Note 8(b)(v).
- Payment of an aggregate cash payment of $50,000 and issuance of an aggregate of the lesser of $250,000 worth of common shares or 1,000,000 common shares to the Optionors on the second anniversary of the Definitive Agreements. This payment and the shares were issued in October 2022. Refer to Note 8(b)(ii).
- Payment of an aggregate cash payment of $100,000 and issuance of an aggregate of the lesser of $250,000 worth of common shares or 1,000,000 common shares to the Optionors on the third anniversary of the Definitive Agreements. This payment and the shares were issued September 2023. Refer to Note 8(b)(iv).

As further consideration for the option, Canstar is required to commit to fund exploration expenditures of a minimum of $1,250,000 (incurred) over a four-year period. The minimum expenditure commitment for the first year will be $500,000. In addition, the Optionors will be entitled to an aggregate milestone payment of $1,000,000 by the Company to the Optionors upon the Golden Baie Project claims achieving National Instrument 43-101 defined measured and indicated mineral resources of at least one million contained gold ounces.

The Optionors transferred title to the Golden Baie Claims to Canstar subject to the Optionors retaining a 2.0% net smelter return ("NSR") from all commercial production on the Golden Baie Project (the “Royalty”). Altius shall maintain the right to purchase from the Optionors 1% of the NSR for the total sum of $1,500,000. Altius will also have a first right of refusal on the purchase of the remaining 1% NSR.

6. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

On November 24, 2020, the Company entered into an option agreement with Altius and other arm's length parties (collectively, the "Optionors") to acquire a 100% interest in 41 mineral claims contiguous with the Golden Baie Project, subject to a 1.5% NSR. In consideration for the acquisition of the option, Canstar shall, among other things: (i) issue an aggregate number of common shares, payable in installments, as is equal to $75,000 divided by the greater of $0.225 and the 5-day volume weighted average price per share; and (ii) pay an aggregate of $75,000 in cash, payable in installments, over a three-year period. Altius has the right to purchase at any time, from the Optionors, one third of the NSR (namely, a 0.5% NSR) for the total sum of $1,000,000. In addition, Altius has the right of first refusal on any sale by the Optionors of the remaining two thirds of the NSR.

So long as Altius owns 9.9% of the Company's shares outstanding it shall have the right to participate in 19.9% of any equity financing during the term of the option.

During the years ended June 30, 2021 and 2022, the Company put up security bonds to keep certain Golden Baie claims in good standing. Once the required expenditures have been achieved, the bonds will be returned to the Company. During the year ended June 30, 2024, $96,524 (year ended June 30, 2023 - $168,926) was refunded to the Company.

Pursuant to an option agreement dated September 25, 2020, the Company issued 3,000,000 common shares to other arm's length parties at a weighted average value of $0.28 per share based on the quoted price of the shares at the time of issue, during the year ended June 30, 2022.

Pursuant to an option agreement dated November 25, 2020, the Company issued 51,055 common shares to other arm's length parties at a value of $0.29 per share based on the quoted price of the shares at the time of issue, during the year ended June 30, 2022.

On January 24, 2022, the Company entered into a binding property purchase agreement with Altius to acquire a 100% interest in the Hermitage Property in southern Newfoundland, subject to a 2% NSR, for consideration of the issuance of 500,000 common shares of the Company. The shares were issued and valued at $137,500 based on the quoted price of the shares at the time of issue. The Hermitage Property is contiguous with the Company’s Golden Baie project.

On July 5, 2022 the Company acquired four claims, located along the Little River Trend, from an arm's length third party in exchange for a nominal cash payment and a 2% NSR.

On August 15, 2022, the Company completed a property purchase agreement with four individuals ("the vendors"), in which the vendors transferred 100% of their beneficial interest in the Bernards Pond and Roti Bay claims, subject to the retention by the vendors of a 2.0% NSR from all commercial production on the Bernards pond claims and Roti Bay claims. The vendors transferred to the Company their beneficial interest in the Bernards Pond and Roti Bay claims, in consideration for the issuance of 250,000 common shares (issued and valued at $30,000 based on the quoted share price of $0.12 at the time of issuance) of the Company and payment of an aggregate of $30,920 for reimbursement of certain fees incurred by them. Refer to Note 8(b)(i).

On December 8, 2022, the Company issued 88,887 common shares and on December 4, 2023, the Company issued 133,333 common shares pursuant to the option agreement dated November 24, 2020. Refer to Note 8(b)(iii)(vi).

On November 9, 2023, the Company announced that it had fulfilled all the conditions of the Golden Baie Property option agreement and exercised the option.

(EXPRESSED IN CANADIAN DOLLARS)

6. EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

b) Buchans-Mary March Properties

(i) Glencore Joint Venture

The Company entered into an option and Joint Venture Agreement with Glencore plc ("Glencore") whereby the Company had earned a 50% interest in the Mary March property located at Buchans Junction in central Newfoundland. The remaining 50% interest in the property was held by Glencore. The Company has a first right of refusal on Glencore's 50% interest, should they wish to sell. Exploration of the property was held up approximately 10 years due to a title dispute that was resolved in 2012 in the Company's favour by the Newfoundland and Labrador Supreme Court.

The property consists of four Fee Simple Grants consisting of five separate land parcels and two map-staked licenses.

Should the Glencore joint venture thus established proceed to production, the Company would make a one-time cash payment of $2 million within six months of the commencement of commercial production.

Canstar's share of production would be subject to a one percent (1%) NSR.

The Company is the operator of the Glencore joint venture and has the deciding vote in the event of a deadlock between the Company and Glencore. A diamond drilling program was completed in late 2012. The Company followed this up with a drill program in the fall of 2013. Glencore contributed $150,000 towards the 2012 exploration costs of the joint venture, however did not contribute to subsequent years' exploration expenditures. Glencore was therefore subject to a voluntary reduction due to non-participation of these exploration programs. Canstar now holds a 56% interest in the joint venture and Glencore holds a 44% interest. Glencore did not make further contributions and accordingly may be subject to additional voluntary reductions.

(ii) Mary March Extension Property

The Mary March Extension Property was acquired on April 7, 2009. The property is located immediately west and north of the Mary March Property. Canstar holds a 100% interest in the property.

(iii) Buchans Property

The Buchans Property was acquired on July 30, 2018.

Canstar owns a 100% interest in the property, subject to a 2% NSR royalty.

7. EQUIPMENT

Cost		**Office and field equipment**
Balance, June 30, 2022	**$**	**29,977**
Additions		1,289
Disposals		-
Balance, June 30, 2023	**$**	**31,266**
Additions		536
Balance, June 30, 2024	**$**	**31,802**

(EXPRESSED IN CANADIAN DOLLARS)

7. EQUIPMENT (CONTINUED)

Accumulated Depreciation		Office and field equipment
Balance, June 30, 2022	**$**	**11,755**
Depreciation		3,920
Balance, June 30, 2023	**$**	**15,675**
Depreciation		3,118
Balance, June 30, 2024	**$**	**18,793**

Carrying Value		Office and field equipment
Balance, June 30, 2023	**$**	**15,591**
Balance, June 30, 2024	**$**	**13,009**

8. CAPITAL STOCK, OPTIONS AND WARRANTS

(a) Authorized

Unlimited number of common shares, without par value.

(b) Issued

Summary of changes in capital stock:

	Shares		Amount
Balance, June 30, 2022	**109,003,672**	**$**	**30,151,913**
Issuance of shares for property interest (i) (ii) (iii)	1,338,887		126,222
Balance, June 30, 2023	**110,342,559**	**$**	**30,278,135**

	Shares		Amount
Balance, June 30, 2023	**110,342,559**	**$**	**30,278,135**
Private placement (vii)	10,415,500		312,465
Share issue costs (vii)	-		(12,372)
Issuance of warrants (vii)	-		(343,072)
Flow-through private placements (vii)	16,250,000		543,750
Issuance of shares for property interest (iv) (v) (vi)	3,633,333		235,333
Balance, June 30, 2024	**140,641,392**	**$**	**31,014,239**

(i) On August 15, 2022, 250,000 shares based on the quoted price of the shares at the time of issuance, valued at $30,000 were issued in accordance with the Golden Baie Project (Note 6(a)).

(ii) On October 5, 2022, 1,000,000 shares based on the quoted price of the shares at the time of issuance, valued at $90,000 were issued in accordance with the Golden Baie project (Note 6(a)).

(iii) On December 8, 2022, 88,887 shares based on the quoted price of the shares at the time of issuance, valued at $6,222 were issued in accordance with the Golden Baie project (Note 6(a)).

(EXPRESSED IN CANADIAN DOLLARS)

8. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

(iv) On September 29, 2023, 1,000,000 shares based on the quoted price of the shares at the time of issuance, valued at $30,000 were issued in accordance with the Golden Baie project (Note 6(a)).

(v) On October 26, 2023, 2,500,000 shares classified as shares to be issued at June 30, 2023 (refer to Note 6(a)) were issued to Altius as part of the Golden Baie option agreement.

(vi) On December 4, 2023, 133,333 shares based on the quoted price of the shares at the time of issuance, valued at $5,333 were issued in accordance with the Golden Baie project (Note 6(a)).

(vii) On January 23, 2024, the Company closed a non-brokered private placement financing, for gross proceeds of $856,215 and share issue cost of $12,372. An aggregate of 26,665,500 units were sold.

The Company issued:
(a) 10,415,500 units (each a “Hard Dollar Unit”) at a price of $0.03 per unit,
(b) 10,000,000 flow-through units (each a “FT Unit”) at a price of $0.0325 per unit, and
(c) 6,250,000 Critical Mineral Exploration Tax Credit (“CMETC”) flow-through units at a price of $0.035 per unit.
Each Hard Dollar Unit, FT Unit and CMETC unit is comprised of one common share, FT share and CMETC Share, respectively; all units also comprised of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per for a period of 24 months following the closing of the offering.

A fair value for the warrants amounted to $343,072 was estimated using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; share price of $0.03; risk free interest rate of 4.06%; expected life of 2 years; and an expected volatility of 159% based on the Company's historical trading data.

In connection with the flow-through offering, the Company paid $1,875 in cash finder's fee.

(c) Stock Options

A summary of changes in stock options is as follows:

	Number of Options		Weighted Average Exercise Price
Balance, June 30, 2022	**8,500,000**	**$**	**0.28**
Granted (i)	2,475,000		0.06
Cancelled	(2,350,000)		0.28
Expired	(300,000)		0.28
Balance, June 30, 2023	**8,325,000**	**$**	**0.21**
Expired	(150,000)		0.10
Balance, June 30, 2024	**8,175,000**	**$**	**0.21**

(i) On March 24, 2023, the Company granted 2,475,000 stock options to directors, officers, consultants and employees of the Company. Each stock option allows the holder to acquire one common share of the Company at an exercise price of $0.06 for a period of 5 years. The options vest 1/3 on the date of grant and 1/3 on each of the first and second anniversaries of the grant date. A grant date fair value of $135,984 was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 2.77%; expected life of 5 years; and an expected volatility of 151%

(EXPRESSED IN CANADIAN DOLLARS)

8. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

(c) Stock Options (continued)

based on the Company's historical trading data.

(ii) The total value of share-based payments for the year ended June 30, 2024 was $99,545 (year ended June 30, 2023 was $364,316), of which $39,382 was included in exploration and evaluation expenditure (year ended June 30, 2023 - $103,652).

(iii) On May 4, 2023, the Company accepted the cancellation of 2,350,000 options and the options voluntarily surrendered by holders were cancelled effective May 4, 2023. The cancelled options all had an exercise price of $0.28. Of the cancelled options, 2,050,000 options were surrendered by directors, senior officers and insiders of the Company. In addition, 300,000 options expired unexercised.

As at June 30, 2024, the following stock options were outstanding:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
1,950,000	1,950,000	$0.28	1.29	October 14, 2025
550,000	550,000	$0.28	1.61	February 8, 2026
400,000	400,000	$0.28	1.82	April 26, 2026
2,800,000	2,800,000	$0.28	2.45	December 10, 2026
2,475,000	1,650,000	$0.06	3.73	March 24, 2028
8,175,000	**7,350,000**	**$0.21**	**2.47**	

(d) Share Purchase Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2022	**33,163,779**	**$ 0.28**
Expired	(24,187,455)	0.21
Balance, June 30, 2023	**8,976,324**	**$ 0.41**
Issued (Note 8(b)(vii))	26,665,500	0.05
Expired	(8,976,324)	0.41
Balance, June 30, 2024	**26,665,500**	**$ 0.05**

As at June 30, 2024, the following warrants were outstanding.

Black-Scholes Valuation	Number of Warrants	Exercise Price	Expiry Date
$ 343,072	26,665,500	$0.05	January 23, 2026

(EXPRESSED IN CANADIAN DOLLARS)

9. FINANCIAL INSTRUMENTS

Fair Value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the end of the reporting period based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value hierarchy

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at June 30, 2023.

	Level 1	Level 2	Level 3	Total
Investments	$ 57,400	$ -	$ -	$ 57,400
Cash and cash equivalents	450,096	-	-	450,096
Marketable securities	375,746	-	-	375,746
	$ 883,242	**$ -**	$ **-**	**$ 883,242**

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at June 30, 2024.

	Level 1	Level 2	Level 3	Total
Investments	$ 31,150	$ -	$ -	$ 31,150
Cash and cash equivalents	38,944	-	-	38,944
Marketable securities	424,287	-	-	424,287
	$ 494,381	**$ -**	**$ -**	**$ 494,381**

There were no transfers between Level 2 and Level 3 during the years ended June 30, 2024 and 2023.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous year.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Company had a cash and cash equivalents balance of $38,944 (2023 - $450,096) and marketable securities of $424,287 (2023 - $375,746) to settle current liabilities of $117,611 (2023 - $281,444). The Company's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing. Management is continuing to pursue various financing initiatives in order to provide sufficient cash flow to finance operations as well as funding its exploration expenditures. The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

9. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Company has cash and cash equivalents balances subject to interest. Management does not believe the Company is exposed to significant interest rate risk.

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign exchange risk.

Price risk

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

Sensitivity analysis

Based on management's knowledge and experience in the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

(i) Cash and cash equivalents and marketable securities are invested with a Canadian chartered bank or a financial institution controlled by a Canadian chartered bank. Sensitivity to a plus or minus 1% change in rates, based on the balance of cash and cash equivalents balance at June 30, 2024, would affect the net loss by plus or minus $900, during a twelve-month period.

(ii) The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

(iii) As a result of the 70,000 shares held in Angus, a 10% fluctuation in fair value of the shares in Angus would result in a change in fair value of $3,115.

(iv) As a result of the GICs and exchange traded funds held in marketable securities, a 1% fluctuation in fair value of the marketable securities would result in a change in fair value of $5,000.

10. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration properties. 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.

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 is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

There were no changes in the Company's approach to capital management approach during the years ended June 30, 2024 and 2023.

(EXPRESSED IN CANADIAN DOLLARS)

11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties.

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

	Year Ended June 30, 2024	2023
Short-term benefits	**$ 261,211**	$ 180,000
Share-based payments	**58,352**	217,733
	$ 319,563	$ 397,733

During the year ended June 30, 2024, $261,211, (year ended June 30, 2023 - $180,000), was paid to key management and included in management fees. Included in accounts payable and accrued liabilities as at June 30, 2024, is $nil owing to an officer, who is also a director of the Company (June 30, 2023 - $15,000).

During the year ended June 30, 2024, the Company incurred $7,200 (year ended June 30, 2023 - $7,200) for rent charged by a third-party that was previously a significant shareholder of the Company.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive or non-executive) of the Company. Amounts payable to related parties are unsecured, non-interest bearing and due on demand.

One investor, namely 2176423 Ontario Ltd., controls 27,863,339 common shares, or approximately 20% of the total common shares outstanding as at June 30, 2024 (June 30, 2023 - 27,863,339 common shares, or approximately 25% of the total common shares outstanding).

12. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 28.25% (2023 – 28.25%) to the effective tax rate is as follows:

	2024	2023
Loss before income taxes	**$ (1,278,074)**	$ (5,585,700)
Expected income tax (recovery)	**(361,056)**	(1,577,960)
Adjustments to benefit resulting from:		
Share-based payments and other non-deductible expenses	**28,496**	51,420
Dissolution of Adventus Newfoundland Corporation	**-**	123,040
Prior year true up	**(113,892)**	-
Effect of flow-through renunciation	**-**	971,160
Changes in unrecognized tax benefits	**446,451**	432,340
Income tax (recovery)	**$ -**	$ -

(EXPRESSED IN CANADIAN DOLLARS)

12. INCOME TAXES (continued)

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2024	2023
Share issuance costs	**$ 228,381**	$ 320,350
Equipment	**18,632**	-
Operating tax losses carried forward	**3,475,146**	2,910,400
Capital losses carried forward	**172,058**	172,060
Investment tax credits and other	**113,718**	83,880
Resource pools - Mineral Properties	**16,641,110**	15,532,470
	$ 20,649,045	$ 19,019,160

The Canadian operating tax loss carry forwards expire as noted in the table below. The capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Investment tax credits expire from 2029 - 2034.

The Company's Canadian operating tax losses expire as follows;

2026	$ 94,020
2027	100,880
2028	100,880
2029	102,290
2030	89,850
2031	35,860
2032	13,710
2035	2,410
2036	10,580
2037	15,880
2038	15,830
2039	52,760
2040	302,470
2041	470,180
2042	758,290
2043	736,530
2044	572,726
	$ 3,475,146

13. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended June 30, 2024 was based on the net loss attributable to common shareholders of $1,278,074 (year ended June 30, 2023 - $5,585,700) and the weighted average number of common shares outstanding of 124,448,240 (year ended June 30, 2023 - 110,006,091). Diluted loss per share did not include the effect of 8,175,000 options and 26,665,500 warrants outstanding (June 30, 2023 - 8,325,000 options and 8,976,324 warrants outstanding) as they are anti-dilutive.

14. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's mineral exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-Through Commitment

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow- through contractual obligations to subscribers with respect to the Income Tax Act (Canada) by incurring qualified exploration expenditures before December 31 of the year following the year in which the agreement is entered into. The Company indemnifies the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments. Certain interpretations are required to assess the eligibility of flow- through expenditures that if changed, could result in the denial of renunciation. The Company is committed to incur flow-through eligible expenditures of $543,750 (flow through - $325,000 and CMETC - $218,750) in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2025 arising from flow-through offerings, of which $246,966 has been incurred to June 30, 2024 with a balance of $296,784 to be spent.

15. SUBSEQUENT EVENTS

On July 15, 2024, the Company granted 3,344,000 options to purchase common shares of the Company to officers, directors, consultants and employees of the Company in accordance with the Company's stock option plan. The Options were granted at an exercise price of $0.035 per share and expire on July 14, 2029. The Options are subject to certain vesting provisions as determined by the board of directors of the Company and in accordance with the policies of the TSX Venture Exchange. Additionally, the Company announces a former officer of the Company has agreed to voluntarily cancel an aggregate of 1,150,000 options with an exercise price of $0.28 per share.

On August 14, 2024, the Company granted 400,000 options to purchase common shares of the Company to two senior employees in accordance with the Company's stock option plan. The Options were granted at an exercise price of $0.04 per share and expire on August 13, 2029. The options will vest over three years starting October 1, 2024. Additionally, the Company cancelled 450,000 previously issued options with an exercise price of $0.28 per share held by these employees.