Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Financial Statements

Years ended August 31, 2023 and 2022

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Equity Metals Corporation

Opinion

We have audited the accompanying consolidated financial statements of Equity Metals Corporation (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2023 and 2022, 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 a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 incurred a net loss of $2,906,657 during the year ended August 31, 2023 and, as of that date, the Company had an accumulated deficit of $30,714,878. 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. 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 auditor's report.

Other Information

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

Our opinion on the 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

December 15, 2023

Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Note	August 31, 2023	August 31, 2022
Current Assets			
Cash and cash equivalents		2,951,659	497,520
Receivables and prepaids	**10**	177,089	81,869
Total current assets		3,128,748	579,389
Non-Current Assets			
Reclamation deposits	**4, 6**	147,480	147,480
Property and equipment	**5**	30,300	37,206
Exploration and evaluation assets	**6**	38,415	38,415
Total non-current assets		216,195	223,101
Total Assets		**3,344,943**	**802,490**
Current Liabilities			
Accounts payable and accrued liabilities		37,656	75,730
Amounts due to related parties	**10**	40,796	21,134
Reclamation provision	**6**	86,325	-
Flow-through premium liability	**7**	122,719	-
Total current liabilities		287,496	96,864
Equity			
Share Capital	**8**	28,460,898	23,701,133
Reserves	**8**	5,415,227	4,927,552
Accumulated other comprehensive loss		(103,800)	(103,800)
Deficit		(30,714,878)	(27,819,259)
Total equity		3,057,447	705,626
Total Liabilities and Equity		**3,344,943**	**802,490**

Nature of operations and going concern (Note 1)
Contingencies (Note 14)
Subsequent events (Note 16)

Approved by the Board of Directors on December 15, 2023:

(signed) "Courtney Shearer" (signed) "Joseph A. Kizis"

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

Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

For the years ended August 31, 2023 and 2022

(Expressed in Canadian dollars)

	Note	August 31, 2023	August 31, 2022
Exploration Expenses			
Exploration expenses, net of recoveries	**6,10**	1,821,234	3,957,966
Administrative Expenses			
Insurance		7,966	6,082
Legal, audit and accounting	**10**	171,484	164,199
Licences, fees and other		52,558	46,033
Management fees	**10**	27,888	35,846
Office rent and building expenses	**10**	50,000	60,000
Printing, stationery and office		34,056	41,002
Share-based compensation	**8,10**	478,659	461,933
Telephone		2,383	2,976
Transfer agent fees		22,279	15,316
Travel, marketing and promotion		287,041	377,992
		1,134,314	1,211,379
Interest income and miscellaneous		49,220	16
Foreign exchange loss		(2,872)	(3,980)
Flow-through premium recovery	**7**	2,543	200,037
Allowance for doubtful accounts		-	(33,785)
Net loss and comprehensive loss for the year		**(2,906,657)**	**(5,007,057)**
Weighted average number of common shares outstanding		**122,109,778**	**96,543,408**
Basic and diluted net loss per share		**(0.02)**	**(0.05)**

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

Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Statements of Changes in Equity

For the years ended August 31, 2023 and 2022

(Expressed in Canadian dollars)

	Share Capital	Share Capital	Reserves	AOCL[1]	Deficit	Total
	Number	$	$	$	$	$
Balance, August 31, 2021	78,229,942	20,667,233	4,322,467	(103,800)	(22,812,202)	2,073,698
Shares issued on private placement	24,528,671	3,634,050	-	-	-	3,634,050
Less: Issue costs - cash	-	(264,961)	-	-	-	(264,961)
Less: Issue costs - warrants	-	(150,472)	150,472	-	-	-
Flow through premium	-	(200,037)	-	-	-	(200,037)
Exercise of options	100,000	15,320	(7,320)	-	-	8,000
Share-based payments	-	-	461,933	-	-	461,933
Net loss for the year	-	-	-	-	(5,007,057)	(5,007,057)
Balance, August 31, 2022	**102,858,613**	**23,701,133**	**4,927,552**	**(103,800)**	**(27,819,259)**	**705,626**
Shares issued on private placement funding	29,808,345	3,556,854	-	-	-	3,556,854
Less: Issue costs - cash	-	(185,624)	-	-	-	(185,624)
Less: Issue costs - warrants	-	(99,346)	99,346	-	-	-
Flow through premium	-	(125,262)	-	-	-	(125,262)
Exercise of warrants	15,138,500	1,573,523	(59,672)	-	-	1,513,851
Exercise of options	200,000	39,620	(19,620)	-	-	20,000
Transfer of value on expired finders' warrants	-	-	(11,038)	-	11,038	-
Share-based payments	-	-	478,659	-	-	478,659
Net loss for the year	-	-	-	-	(2,906,657)	(2,906,657)
Balance, August 31, 2023	**148,005,458**	**28,460,898**	**5,415,227**	**(103,800)**	**(30,714,878)**	**3,057,447**

(1) Accumulated other comprehensive loss

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

Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

For the years ended August 31, 2023 and 2022

(Expressed in Canadian dollars)

	August 31, 2023	August 31, 2022
	$	$
Cash flows from operating activities		
Net loss	(2,906,657)	(5,007,057)
Items not affecting cash		
Depreciation	6,906	8,374
Share-based payments	478,659	461,933
Foreign exchange loss	2,872	3,980
Flow-through premium recovery	(2,543)	(200,037)
Allowance for doubtful accounts	-	33,785
Changes in non-cash operating working capital		
Change in receivables and prepaids	(95,220)	39,091
Change in reclamation provision	86,325	-
Change in accounts payable and accrued liabilities	(38,074)	17,864
Change in amounts due to related parties	19,662	(19,068)
Cash used in operating activities	(2,448,070)	(4,661,135)
Cash flows from investing activities		
Purchase of equipment	-	(1,926)
Cash used in investing activities	-	(1,926)
Cash flows from financing activities		
Receipts from private placement financing	3,556,854	3,634,050
Share issue costs	(185,624)	(264,961)
Proceeds from exercise of options	20,000	8,000
Proceeds from exercise of warrants	1,513,851	-
Cash from financing activities	4,905,081	3,377,089
Increase (decrease) in cash and cash equivalents	2,457,011	(1,285,972)
Effects of foreign exchange on cash and cash equivalents	(2,872)	(3,980)
Cash and cash equivalents - Beginning of year	497,520	1,787,472
Cash and cash equivalents - End of year	**2,951,659**	**497,520**

Supplemental cash flow information (Note 15)

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

1 Nature of operations and going concern

Equity Metals Corporation ("Equity Metals Corporation" or the "Company") was incorporated pursuant to the laws of British Columbia on April 7, 1964. On September 12, 2019, the Company changed its name from New Nadina Explorations Limited to Equity Metals Corporation and changed its stock symbol to "EQTY" from "NNA". The Company is principally engaged in the acquisition, exploration, and development of mineral and diamond properties in British Columbia, Saskatchewan and the Northwest Territories. The Company's common shares trade on the TSX Venture Exchange under the trading symbol "EQTY" and on the OTCQB Venture Marketplace in the United States of America under the trading symbol "EQMEF". The Company is extra-provincially registered in the Province of Saskatchewan and extra-territorially registered in the Northwest Territories.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months.

The Company has incurred losses since inception and expects to incur further losses in the development of its business and for the year ended August 31, 2023, the Company incurred losses of $2,906,657 (2022 - $5,007,057) and at that date, the Company also had an accumulated deficit of $30,714,878 (2022 - $27,819,259) which has been funded primarily by the issuance of equity.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2 Basis of presentation

a) Basis of presentation, statement of compliance and principles of consolidation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements include the financial statements of the Company and its 100% controlled subsidiary 1157274 B.C. Ltd. Subsidiaries are entities controlled by the Company and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The consolidated financial statements, unless otherwise noted, have been presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

b) Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future periods if the revision affects both current and future periods.

Management considers the following areas to be those where critical accounting policies affect the significant judgments and estimates used in the preparation of the Company's financial statements.

Critical judgments

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1, as well as consideration of whether gross proceeds from the issuance of private placement units should be bifurcated to component elements.

Significant Estimates

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 mineral properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

Fair value of stock options and warrants

Charges for share-based compensation are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes Option Pricing Model, and inputs to the model include assumptions on expected volatility, discount rates and expected term, dividend yield, and expected forfeitures. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. Expected volatility is a measure for variation of a price of a financial instrument over time. Expected volatility is derived from a time series of past market prices and therefore may not be an accurate representation of future volatility.

Income taxes

The estimation of income 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 discovery, extraction, development and commercialization of mineral reserves. 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 future income tax provisions or recoveries could be affected.

c) Exploration and evaluation expenditures

Once a permit to explore an area has been secured, expenditures on exploration and evaluation assets are expensed as incurred and charged to net loss. Costs to acquire the property claims are capitalized.

Exploration and evaluation expenditures are those related to the search for and evaluation of mineral resources incurred after the Company has obtained legal rights to explore a specific area and before the technical feasibility and commercial viability of a mineral reserve is demonstrable. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations, a positive construction and production decision, and the securing of appropriate permits and financing, are expensed as incurred.

Exploration expenditures relate to the initial search for mineral deposits with economic potential, and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Such expenditures include any cash consideration and advance earn-in payments and the fair market value of shares issued, if any, related to the mineral property interests.

Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made. Cost recoveries, including government assistance, are recorded as a reduction of exploration expense to the extent they are not directly related to capitalized acquisition costs. Payments received for exploration rights on the Company's mineral properties are treated as cost recoveries and are credited to reduce the cost of exploration expenditures related to the mineral claims with any excess, on an aggregate basis, recorded as income.

Reclamation and site restoration costs including site maintenance and caretaking are expensed when the Company incurs a liability to remediate the exploration site.

d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is recorded, from the date of acquisition, on the declining balance basis at the following rates:

Buildings	20%
Camp Equipment	20%
Office Equipment	20%
Mining Equipment	30%
Vehicles	20%

Depreciation is allocated as a component of either exploration costs or general operating expenses based on the nature of the use of the underlying asset.

e) Impairment of non-financial assets

At each reporting period, management reviews all non-financial assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

f) Provision for closure and reclamation

Provisions for closure and reclamation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the closure and reclamation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss.

g) Income taxes

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax paid or payable in respect of previous years.

The Company records deferred tax assets and liabilities when the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) Flow-through shares

The Company has issued common shares as flow-through shares, whereby the investor may claim the tax deductions arising from the related resource expenditures. When flow-through shares are issued, the Company bifurcates the flow-through share into share capital and flow-through tax liability components. Flow-through tax liability, if any, is calculated as the difference between the selling price of the flow-through shares and the market price of the Company's common shares at the time of issuance of these flow-through shares. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, the liability is reversed, and a deferred income tax liability is recognized.

Previous unrecognized deferred tax assets may be used to reduce this liability amount, and the Company will recognize a future income tax recovery to this extent. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule.

i) Financial instruments

<u>Recognition and Classification</u>

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

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. 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.

<u>Measurement</u>

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

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 in the consolidated statements of loss and comprehensive loss. 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 the consolidated statements of loss and comprehensive loss in the year in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in loss and comprehensive loss.

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 Company measures the loss allowance for the financial asset 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 Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

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. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

j) Share-based payments

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued 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 a unit private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a component of reserves.

The Company's stock option plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods on a graded basis. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payments is measured using the Black-Scholes Option Pricing Model. The fair value of the share-based payments is recognized as an expense with a corresponding increase in reserves. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital.

k) Reserves
Reserves includes items recognized as share-based compensation expense and the fair value of warrants issued until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options and warrants expire unexercised, the amount recorded is transferred to deficit.

(Expressed in Canadian dollars)

l) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. Diluted loss per share is calculated whereby; the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

3 New and future accounting standards and pronouncements

a) New and future accounting standards adopted

New standards applicable to the Company's financial statements as of September 1, 2022 did not have a material impact upon adoption.

In October 2020, the IASB published amendments to IAS 1, *Presentation of Financial Statements*. These amendments clarify classification of debt and other financial liabilities as current or non-current, depending on specific conditions in relation to debt covenants and an entity's right to defer settlement for at least 12 months. These amendments are effective for annual periods beginning January 1, 2023. These amendments are not currently expected to have a material impact on the Company's financial statements.

4 Reclamation Deposits

The Company has the following amounts on deposit for reclamation purposes with respect to each of its properties:

Property	**August 31, 2023**	**August 31, 2022**
	$	**$**
Silver Queen Property, BC	53,500	53,500
Monument Diamond Property, NWT	93,980	93,980
	147,480	**147,480**

(Expressed in Canadian dollars)

5 Property and equipment

	Building	Equipment & Vehicles	Total
	$	**$**	**$**
Cost			
Balance at August 31, 2021	148,032	102,999	251,031
Additions	-	1,926	1,926
Balance at August 31, 2022	148,032	104,925	252,957
Additions	-	-	-
Balance at August 31, 2023	**148,032**	**104,925**	**252,957**
Accumulated depreciation			
Balance at August 31, 2021	128,769	78,608	207,377
Depreciation	3,573	4,801	8,374
Balance at August 31, 2022	132,342	83,409	215,751
Depreciation	2,911	3,995	6,906
Balance at August 31, 2023	**135,253**	**87,404**	**222,657**
Net book value			
Balance at August 31, 2022	15,690	21,516	37,206
Balance at August 31, 2023	**12,779**	**17,521**	**30,300**

(Expressed in Canadian dollars)

6 Exploration and evaluation assets

Amounts capitalized to exploration and evaluation assets at August 31, 2023 and 2022 are as follows:

Acquisition cost of exploration and evaluation assets	**August 31, 2023**	**August 31, 2022**
	$	**$**
Silver Queen property – BC (100% interest)	**38,413**	38,413
Monument Diamond property – NWT (57.49% interest)	**1**	1
WO Claim block – NWT (4.47% interest)	**1**	1
La Ronge Silica project – SK (100% interest)	**-**	-
	38,415	38,415

Silver Queen property, British Columbia - Omineca Mining Division (100%)
The Company has a 100% interest in the Silver Queen Property, located in the Omineca Mining Division, of British Columbia. The property includes 17 crown-granted titles, comprised of 2 surface and undersurface titles and 15 undersurface-only titles, and 45 tenure claims. As at August 31, 2023, reclamation deposits of $53,500 (2022 - $53,500) are held in relation to the Silver Queen property. At August 31, 2023, the Company has separately accrued $86,325 in connection with future reclamation costs that are estimated to be incurred within the next 12 months.

La Ronge Silica project, Saskatchewan (100%)
The Company holds a 100% interest in a renewable mineral lease covering a silica quarry which expires in December 2024.

Monument Diamond property, Lac de Gras NWT (57.49%)
In May 2002, the Company acquired from DHK Diamonds Inc. three claims and took them to lease in the Mackenzie District Mining Division, Northwest Territories. An Agreement provides for a 1% gross overriding royalty payable to each of DHK Diamonds Inc. and Royal Gold Inc. (Kennecott Canada Explorations Inc.), with the Company having an indirect 0.4337% interest in the royalty. Equity Metals is the operator and retains 57.49% with two other parties holding the remaining participating interest in the mineral claims.

In July 2017, the Company acquired 2 staked claims adjacent to the northern boundary of the 3 mineral leases.

The Company currently holds a five-year Type “A” Land Use Permit by the Wek’eezhii Land and Water Board which was renewed in September 2019 and expires on September 1, 2024.

As at August 31, 2023, reclamation deposits of $93,980 (2022 - $93,980) are held by the Government of Northwest Territories in relation to the Monument property.

WO Claim block

The Company holds an indirect 4.47% interest (2022 – 4.47%) of the WO claim block, a diamond property in the Northwest Territories managed by the De Beers Group. The Company has a cost contribution commitment, commensurate with its interest, to fund the costs of operating the WO claim block. The Company was not requested to make any contributions for the year ended August 31, 2023 (2022 - $nil).

(Expressed in Canadian dollars)

Exploration and evaluation expenditures:

During the year ended August 31, 2023, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	Total
	$	$	$	$
Assay analysis	-	280,606	-	280,606
Camp preparation	-	171,298	-	171,298
Depreciation	-	6,906	-	6,906
Drilling	-	789,599	-	789,599
General exploration	307	269,922	15,862	286,091
Geology	1,787	497,983	3,394	503,164
Geophysics	-	5,813	-	5,813
Environmental and reclamation	-	92,298	-	92,298
Property, assessment/taxes	195	1,074	-	1,269
	2,289	2,115,499	19,256	2,137,044
Receipt of BC METC*	-	(315,810)	-	(315,810)
	2,289	**1,799,689**	**19,256**	**1,821,234**

* BCMETC: BC Mining Exploration Tax Credits.

During the year ended August 31, 2022, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	Total
	$	$	$	$
Assay analysis	1,484	567,321	-	568,805
Camp preparation	219	237,374	-	237,593
Depreciation	-	8,374	-	8,374
Drilling	-	1,887,127	-	1,887,127
General exploration	4,228	499,353	-	503,581
Geology	12,382	731,898	-	744,280
Property, assessment/ taxes	210	381	7,615	8,206
	18,523	**3,931,828**	**7,615**	**3,957,966**

7 Flow-through premium

The flow-through premium liability as at August 31, 2023 of $122,719 (2022 - $nil) arose in connection with flow-through share offerings which the Company closed on December 29, 2022 and August 16, 2023 (Note 8). The reported amount is the unamortized balance of the premium received from issuing the flow-through shares. This balance does not represent a direct cash liability to the Company. The flow-through premium liability will be amortized to the statement of loss and comprehensive loss pro-rata with the amount of related qualifying flow-through expenditures that are incurred by the Company.

The Company is committed to incur on or before December 31, 2023 qualifying Canadian exploration expenses as defined under the Income Tax Act (Canada) (the "Qualifying Expenditures") in the aggregate amount of $1,692,649 with respect to the flow-through share financings completed on December 29, 2022 (Note 8). None of the Qualifying Expenditures will be available to the Company for future deduction from taxable income. These exploration expenses have been incurred as of August 31, 2023, accordingly, the Company has no remaining commitment to incur Qualifying Expenditures arising from the December 29, 2022 financing.

The Company is committed to incur on or before December 31, 2024 qualifying Canadian exploration expenses as defined under the Income Tax Act (Canada) (the "Qualifying Expenditures") in the aggregate amount of $814,205 with respect to the flow-through share financings completed on August 16, 2023 (Note 8). None of the Qualifying Expenditures will be available to the Company for future deduction from taxable income. As of August 31, 2023, the Company incurred exploration expenses of $16,532, accordingly, the Company has a remaining commitment to incur Qualifying Expenditures of $797,673 arising from the August 16, 2023 financing.

During the year ended August 31, 2023, the Company recognized, in the consolidated statements of changes in equity, an initial flow-through premium of $125,262, arising from the August 16, 2023 financing. During the year ended August 31, 2023, the Company recognized an aggregate $2,543 as flow-through premium recoveries in the consolidated statements of loss and comprehensive loss with respect to the August 16, 2023 financing.

During the year ended August 31, 2022, the Company recognized an initial flow-through premium of $79,037 arising from the first tranche flow-through share offering closed on November 15, 2021 and, separately, a flow-through premium of $121,000 arising from the second tranche flow-through share offering closed on December 22, 2021, for aggregate flow-through premiums of $200,037 (Note 8). During the year ended August 31, 2022, the Company recognized $200,037, in aggregate, as flow-through premium recoveries in the consolidated statements of loss and comprehensive loss.

The amounts recognized as a flow-through premium recovery represent the pro-rata portion of Qualifying CEE incurred during the applicable period for the applicable period presented in these financial statements.

8 Share capital

Authorized

An unlimited number of common shares without par value.

Financings

During the year ended August 31, 2023, the Company issued the following shares:

On December 29, 2022, the Company closed the first tranche of its non-brokered private placement by issuing a total of 13,045,233 flow-through units, as follows: the first tranche consisted of (i) 8,333,333 flow-through units (the "FT Units") sold at a price of $0.12 per FT Unit for gross proceeds of $1,000,000; and (ii) 4,711,900 premium flow-through units (the "PFT Units") sold at a price of $0.147 per PFT Unit for gross proceeds of $692,649 for aggregate total gross proceeds of $1,692,649. No flow-through premium was recognized in relation to the transaction as the market price of the Company's common share at the date of issuance of the FT and PFT Units was higher than the subscriptions prices of each of the FT and PFT Units. Each FT Unit and PFT Unit consists of one flow-through common share and one share purchase warrant. The warrants for all units are the same with each warrant entitling the holder to purchase one non-flow-through common share for a period of 3 years, until December 29, 2025, at an exercise price of $0.15 per common share. In addition, the Company incurred cash finders' fees of $42,476 and issued 353,964 finders' warrants which are exercisable at $0.15 per common share for a period of 3 years, until December 29, 2025. The fair value of the finders' warrants of $55,445 was calculated using the Black-Scholes Model and the following assumptions: share price - $0.19; expected life – 3 years; volatility – 144.8%; discount rate – 3.60%; dividend rate – $nil.

On January 16, 2023, the Company closed its final tranche of the private placement by issuing 10,500,000 non-flow-through units (the "NFT Units") at a price of $0.10 per NFT Unit for gross proceeds of $1,050,000. Each NFT Unit consists of one non-flow-through common share and one share purchase warrant. The warrants for the NFT Units entitle the holder to purchase one non-flow-through common share for a period of 3 years, until January 26, 2023, at an exercise price of $0.15 per common share. In addition, the Company incurred cash finders' fees of $13,680 and issued 136,800 finders' warrants which are exercisable at $0.15 per common share for a period of 3 years, until January 26, 2023. The fair value of the finders' warrants of $17,674 was calculated using the Black-Scholes Model and the following assumptions: share price - $0.16; expected life – 3 years; volatility – 145.1%; discount rate – 3.21%; dividend rate – $nil. In addition, the Company incurred aggregate other cash issuance costs of $64,742 relating to the December 29, 2022 and January 16, 2023 non-brokered private placements.

On August 16, 2023, the Company closed a private placement by issuing a total of 6,263,112 flow-through units ("FT Units") at a price of $0.13 per FT Unit for gross proceeds of $814,205. A flow-through premium of $125,262 was recognized in connection with the transaction, calculated as the difference between the market price of the Company's common shares and the subscription price of FT Units at the date of issuance of the FT Units multiplied by the number of Units issued. Each FT Unit consists of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share for a period of 3 years at a price of $0.20 per common share. The Company incurred cash finders' fees of $44,952 and issued 345,787 finders' warrants in connection with the private placement. Finders' warrants are exercisable for a period of 3 years, 246,508 of which are exercisable at $0.20 per common share and 99,279 of which are exercisable at $0.13 per common share. The fair value of the finders' warrants of $26,227 was calculated using the Black-Scholes Model and the following weighted-average assumptions: share price - $0.11; expected life – 3 years; volatility – 129.31%; discount rate – 4.36%; dividend rate – $nil. In addition, the Company incurred other cash issuance costs of $19,774 relating to the non-brokered private placements.

During the year ended August 31, 2023, 15,138,500 warrants were exercised resulting in proceeds of $1,513,851 and 200,000 options were exercised resulting in proceeds of $20,000.

During the year ended August 31, 2022, shares were issued for the following:

On November 15, 2021, the Company closed the first tranche of the Private Placement by issuing 2,800,000 non-flow-through units ("NFT Units") at a price of $0.14 per unit for gross proceeds of $392,000 and by issuing 7,903,667 flow-through units ("FT Units") at a price of $0.15 per unit for gross proceeds of $1,185,550. In addition, the Company incurred cash finders' fees of $90,339 and issued 610,423 non-flow-through finders' warrants with a fair value of $57,935, of which 213,710 are exercisable at a price of $0.20 per common share for a period of 2 years and 396,713 are exercisable at a price of $0.15 per common share for a period of 2 years. The fair value of the finders' warrants was calculated using the Black-Scholes Model and the following assumptions: share price - $0.14; expected life – 2 years; volatility – 147.5%; discount rate – 0.34%; dividend rate – $nil.

On December 22, 2021, the Company closed its second and final tranche of its flow-through and non-flow-through private placements. The Company issued 1,725,002 NFT Units at a price of $0.14 per NFT Unit for gross proceeds of $241,500 and by issuing 12,100,002 FT Units at a price of $0.15 per FT Unit for gross proceeds of $1,815,000. Each NFT Unit is comprised of one non-flow-through common share and one-half of one non-flow-through warrant. Each FT Unit is comprised of one-flow through common share and one-half of one non-flow through warrant. The warrants for all units are the same with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years at a price of $0.20 per common share. In addition, the Company incurred cash finders' fees of $144,255, other cash issuance costs of $30,367 and issued 962,751 non-flow-through finders' warrants with a fair value of $92,537, with each warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years at a price of $0.20 per common share. The fair value of the finders' warrants was calculated using the Black-Scholes Model and the following assumptions: share price - $0.14; expected life – 2 years; volatility – 145.0%; discount rate – 0.99%; dividend rate - $nil.

During the year ended August 31, 2022, 100,000 options were exercised resulting in proceeds of $8,000.

Stock options

The Company has established a share purchase option plan (the "Plan") whereby the Board of Directors may from time-to-time grant options to directors, officers, employees or consultants. The maximum term of the options granted under the Plan is ten years from the date of grant, however the normal term of the options is five years, or such lesser period as determined by the Company's Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date.

(Expressed in Canadian dollars)

The Company's stock options outstanding as at August 31, 2023 and the changes for the year then ended are as follow:

	Number of options	Weighted average exercise price ($)	Weighted average remaining life (years)
Balance – August 31, 2021	6,200,000	0.20	3.94
Granted	3,550,000	0.14	
Exercised	(100,000)	0.08	
Balance - August 31, 2022	9,650,000	0.18	3.31
Granted	2,975,000	0.20	
Exercised	(200,000)	0.10	
Balance - August 31, 2023	12,425,000	0.19	2.88
Exercisable - August 31, 2023	12,425,000	0.19	2.88

The balance of options outstanding as at August 31, 2023 is as follows:

Expiry date	Exercise price $	Number of options outstanding	Number of options exercisable
October 25, 2023	0.10	100,000	100,000
November 3, 2023	0.17	200,000	200,000
November 3, 2023	0.20	200,000	200,000
March 3, 2024	0.08	200,000	200,000
May 5, 2024	0.115	150,000	150,000
December 5, 2024	0.085	1,500,000	1,500,000
October 19, 2025	0.20	100,000	100,000
January 29, 2026	0.26	4,000,000	4,000,000
January 26, 2027	0.135	3,000,000	3,000,000
March 20, 2028	0.20	2,975,000	2,975,000
		12,425,000	12,425,000

During the year ended August 31, 2023, the Company recorded share-based compensation of $478,659 (2022 - $461,933) in respect of 2,975,000 options exercisable at a price of $0.20 per share. The weighted average fair value of the options granted during the year ended August 31, 2023 was $0.16 (2022 - $0.13), with the fair value of the options granted during the year estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: share price – $0.18 (2022 - $0.14); exercise price – $0.20 (2022 - $0.14); expected life – 5 years (2022 - 4.54 years); risk-free rate – 2.83% (2022 - 1.63%); expected volatility (based on historical volatility) – 143.66% (2022 - 262.45%); expected forfeitures – nil (2022 – nil); and expected dividends – nil (2022 – nil).

(Expressed in Canadian dollars)

Share purchase warrants

The Company's warrants outstanding as at August 31, 2023 and the changes for the year then ended are as follows:

	Number of warrants	Weighted average exercise price ($)	Weighted average remaining life (years)
Balance - August 31, 2021	40,124,218	0.12	1.85
Issued	13,837,512	0.20	
Balance - August 31, 2022	53,961,730	0.15	0.95
Granted	27,513,340	0.16	3.00
Exercised	(15,138,500)	0.10	
Expired	(9,372,043)	0.10	
Balance - August 31, 2023	56,964,527	0.17	1.44

Warrants to acquire common shares are outstanding at August 31, 2023 as follows:

Expiry date	Exercise price $	Number of warrants outstanding
November 15, 2023	0.15	396,713
November 15, 2023	0.20	5,565,544
December 9, 2023	0.25	7,063,492
December 9, 2023	0.18	415,183
December 22, 2023	0.20	7,875,255
October 22, 2024(1)	0.12	4,547,500
November 25, 2024(2)	0.12	3,587,500
December 29, 2025	0.15	13,399,197
January 16, 2026	0.15	10,636,800
August 16, 2026	0.13	99,279
August 16, 2026	0.20	3,378,064
		56,964,527

(1) During the year ended August 31, 2023, 4,547,500 of these warrants were amended to extend the maturity date to October 22, 2024, all other terms and conditions of the warrants remain unchanged.

(2) During the year ended August 31, 2023, 3,587,500 of these warrants were amended to extend the maturity date to November 25, 2024, all other terms and conditions of the warrants remain unchanged.

Options and warrants outstanding at August 31, 2023 are anti-dilutive as they would reduce the loss per share and are therefore excluded from the calculation of diluted loss per share. Accordingly, the basic loss per share and diluted loss per share are the same amounts.

(Expressed in Canadian dollars)

9 Income Taxes

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

	August 31, 2023	**August 31, 2022**
Statutory income tax rate	27%	27%
	$	**$**
Loss for the year	(2,906,657)	(5,007,057)
Expected income tax (recovery)	(784,800)	(1,351,900)
Permanent differences and other	128,600	124,700
Impact of flow through shares	461,500	865,400
Impact of BCMETC	(60,400)	(201,400)
Share issue cost	(50,100)	(71,500)
Adjustment to prior years provision versus statutory tax returns	205,500	177,200
Change in unrecognized deductible temporary differences	99,700	457,500
Total income tax expense (recovery)	-	-

The relevant deferred tax balances have been measured to reflect the Company's combined Federal and Provincial (BC) general corporate income tax rate of 27%.

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

	August 31, 2023	**August 31, 2022**
	$	**$**
Deferred tax assets (liabilities)		
Exploration and evaluation assets	3,755,000	3,971,000
Property and equipment	90,000	79,000
Share issue costs	111,000	102,000
Asset retirement obligation	23,000	-
Allowable capital losses	-	14,000
Non-capital losses available for future period	1,252,200	965,500
	5,231,200	5,131,500
Unrecognized deferred tax assets	(5,231,200)	(5,131,500)
Net deferred tax assets	-	-

(Expressed in Canadian dollars)

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

	August 31, 2023	Expiry Date Range	August 31, 2022	Expiry Date Range
Temporary Differences	$		$	
Exploration and evaluation assets	12,596,000	No expiry date	13,394,000	No expiry date
Investment tax credit	485,000	2025 to 2034	485,000	2025 to 2034
Property and equipment	333,000	No expiry date	293,000	No expiry date
Share issue costs	410,000	2024 to 2027	379,000	2023 to 2026
Asset retirement obligation	86,000	No expiry date	-	No expiry date
Allowable capital losses	-	No expiry date	52,000	No expiry date
Non-capital losses available for future periods	4,635,000	2028 to 2043	3,573,000	2028 to 2042

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

10 Related party transactions and commitments

Key management includes the President, the Chief Financial Officer, the VP Exploration and the directors. The compensation paid or payable to key management for services during the years ended August 31, 2023 and 2022 are as follows:

	August 31, 2023	August 31, 2022
	$	$
Management and professional fees to related parties	60,111	72,284
General exploration fees to related parties	59,934	57,741
Share-based payments to related parties	285,584	272,624
	405,629	402,649

During the year ended August 31, 2023, $57,239 (2022 – $47,829) in accounting support services was charged by Malaspina Consultants Inc., a company controlled by Killian Ruby, the CFO and a director of the Company. Further, during the year ended August 31, 2023 the following amounts were charged to the Company by Manex Resource Group Inc., a company indirectly controlled, as of November 1, 2021, by Killian Ruby, the CFO and a director of the Company and prior to that a company controlled by Larry Page, the Chairman of the board of directors: (i) $59,644 (2022 - $57,277) being costs for general exploration services; (ii) $50,000 (2022 - $60,000) being costs for office rent services; (iii) $16,269 (2022 - $29,395) being costs for general office and administration support services; (iv) $26,730 (2022 - $22,553) being costs for legal and corporate secretarial support services; (v) $136,391 (2022 - $104,835) being costs for corporate development and communication services and (vi) $26,145 (2022 - $347) being costs for financing corporate secretarial support services.

Included in current liabilities at August 31, 2023 is $40,796 (2022 - $21,134) due to related parties. These amounts are unsecured and due under normal business terms.

At August 31, 2023, $7,021 (2022 - $7,021) was included in receivables and prepaids for expense advances paid to the President and a Director of the Company.

11 Capital management

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its equity to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended August 31, 2023.

12 Financial instruments

The Company's financial instruments, which are comprised of cash, receivables, reclamation deposits, accounts payable and accrued liabilities and amounts due to related parties, are exposed to the following risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is from cash and cash equivalents and reclamation deposits, all of which are held at Schedule 1 Canadian banks, accordingly, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay its financial liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities and related party balance obligations.

As at August 31, 2023, the Company has a working capital of $2,841,252 (2022 - $482,525). The Company recognizes that to meet its obligations depends on management's ability to raise the funds required through future equity financings. If such funds cannot be raised, the Company would be required to postpone or curtail its operating and investing activities.

Interest Rate Risk

The Company is exposed to interest rate risk on cash and cash equivalents. As at August 31, 2023, the Company maintained all of its cash balance in a redeemable guaranteed investment certificate and on deposit in chequing accounts with Schedule 1 Canadian banks. Interest risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management believes that the Company is not exposed to a significant amount of interest rate risk.

Price Risk

The Company is not exposed to significant price risk.

Foreign currency risk

The Company conducts its business in Canada, and its expenditures are primarily incurred in Canadian dollars, and is therefore not exposed to significant foreign currency risk.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

All of the Company's financial instruments, excluding cash and reclamation deposits, have a fair value approximating their carrying value due to their short-term nature. Cash is carried at fair value and is measured using level 1 inputs.

13 Segmented information

The Company operates in one reportable segment, being the acquisition and exploration of exploration and evaluation assets in Canada.

14 Contingencies

During the year ended August 31, 2018 the Company received notice of a civil claim filed against the Company and the prior President of the Company by AIC Mines (formerly, Intrepid Mines Limited). During the year ended August 31, 2023, the claim was dismissed.

15 Supplemental cash flow information

	August 31, 2023	**August 31, 2022**
	$	**$**
Issue costs - warrants	99,346	150,472
Flow-through premium	125,262	200,037
Transfer of value from reserves on exercise of warrants	59,672	7,320
Transfer from reserves on exercise of options	19,620	-
Transfer of value from reserves on expiry of finders' warrants	11,038	-

16 Subsequent events

Subsequent to August 31, 2023, 13,440,932 warrants with a weighted average exercise price of $0.22 and 500,000 stock options with a weighted average exercise price of $0.17 expired unexercised.