DISCOVERY HARBOUR RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Discovery Harbour Resources Corp.

Opinion

We have audited the consolidated financial statements of Discovery Harbour Resources Corp. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at September 30, 2023 and 2022, and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at September 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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 accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended September 30, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

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

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 Financial Statements

Management is responsible for the consolidated preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
December 18, 2023

DISCOVERY HARBOUR RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	September 30, 2023 $	September 30, 2022 $
Assets			
Current assets			
Cash		89,011	347,262
Amounts receivable		6,373	3,060
Prepaid expenses and deposits		940	7,690
Total current assets		96,324	358,012
Non-current assets			
Investment	5	297,000	1
Total assets		393,324	358,013
Liabilities			
Current liabilities			
Trade and other payables		9,663	10,286
Due to related parties	10	-	7,970
Loan payable	7	40,000	40,000
Total liabilities		49,663	58,256
Equity			
Share capital	8	22,156,822	22,156,822
Contributed surplus	8	2,503,564	2,503,564
Accumulated deficit		(24,316,725)	(24,360,629)
Total equity		343,661	299,757
Total liabilities and equity		393,324	358,013

Nature of operations and going concern (Note 1)

These consolidated financial statements were approved and authorized for issue by the Board of Directors:

/s/"Mark Fields" Director *Is/"Rodney Stevens"* Director

DISCOVERY HARBOUR RESOURCES CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian Dollars)

		2023 $	2022 $
Expenses			
Accounting and audit fees		51,100	44,200
Consulting fees		1,964	1,909
Insurance		19,190	14,878
Investor communications		2,854	6,730
Legal		17,935	13,271
Management fees	10	-	30,000
Office and administration		7,178	9,052
Salaries and benefits	10	124,530	118,719
Share-based payments	9	-	51,730
Transfer agent and filing fees		16,784	20,295
Total expenses		(241,535)	(310,784)
Write-off of exploration and evaluation assets		(10,925)	(2,144,094)
Foreign exchange		(635)	2,964
Gain on sale of investments		-	2,174
Fair valuation gain on investment		296,999	-
		285,439	(2,138,956)
Net income (loss) and comprehensive loss for the year		43,904	(2,449,740)
Earnings (loss) per common share, basic and diluted		0.00	(0.30)
Weighted average number of common shares outstanding		9,450,929	9,450,929

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

DISCOVERY HARBOUR RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Contributed Surplus $	Accumulated Deficit $	Total $
Balance at September 30, 2021	9,450,929	22,156,822	2,451,834	(21,910,889)	2,697,767
Share-based payments	-	-	51,730	-	51,730
Net loss for the year	-	-	-	(2,449,740)	(2,449,740)
Balance at September 30, 2022	9,450,929	22,156,822	2,503,564	(24,360,629)	299,757
Net income for the year	-	-	-	43,904	43,904
Balance at September 30, 2023	9,450,929	22,156,822	2,503,564	(24,316,725)	343,661

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

DISCOVERY HARBOUR RESOURCES CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in Canadian Dollars)

	2023 $	2022 $
Operating activities		
Net income (loss) for the year	43,904	(2,449,740)
Items not involving cash:		
Write-off of exploration and evaluation assets	10,925	2,144,094
Share-based payments	-	51,730
Gain on sale of investments	-	(2,174)
Fair valuation gain on investment	(296,999)	-
Changes in non-cash working capital accounts:		
Amounts receivable	(3,313)	2,673
Due to related parties	(7,970)	(7,544)
Prepaid expenses	6,750	1,304
Trade and other payables	(623)	6,344
Total cash used in operating activities	(247,326)	(253,313)
Investing activities		
Expenditures on exploration and evaluation assets	(10,925)	(682,617)
Cost recoveries on exploration and evaluation assets	-	187,969
Total cash used in investing activities	(10,925)	(494,648)
Financing activities		
Proceeds from sale of investments	-	8,886
Total cash provided from financing activities	-	8,886
Total change in cash	(258,251)	(739,075)
Cash, beginning	347,262	1,086,337
Cash, end	89,011	347,262
Supplemental information		
Interest paid	-	-
Income taxes paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Discovery Harbour Resources Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on March 11, 2009. The Company completed a reverse takeover transaction with CVC Cayman Ventures Corp. on April 2, 2013. The Company is listed on the TSX Venture Exchange as a Tier 2 Venture Issuer having the symbol DHR-V.

The address of the Company's corporate office and principal place of business is Suite 250 - 750 West Pender Street, Vancouver, British Columbia, Canada.

During the year ended September 30, 2023, the Company consolidated its share capital on a 10:1 basis. These consolidated financial statements reflect the share consolidation retroactively.

The Company has not generated revenue from operations since inception. The Company has accumulated losses of $24,316,725 since inception and expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations. As the Company is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, future profitable production or proceeds from the disposition of the properties and the ability of the Company to acquire or invest in suitable projects and the attainment of profitable operations. The Company will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements for the year ended September 30, 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on December 18, 2023.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 0845837 B.C. Ltd. (active) and Discovery Harbour (USA) LLC (dormant). Inter-company balances and transactions are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Mineral Exploration and Evaluation Assets

All costs related to the acquisition, exploration and development of resource properties are capitalized and classified as intangible assets. Upon commencement of commercial production, the related accumulated costs are amortized to income using the unit of production method over estimated recoverable ore reserves. Management periodically assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that have lapsed, the unrecoverable amounts are expensed.

The recoverability of the carried amounts of exploration and evaluation assets is dependent on the existence of economically recoverable ore reserves and the ability to obtain the necessary financing to complete the development of such ore reserves and the success of future operations. The Company has not yet determined whether any of its mineral properties contains economically recoverable reserves. Amounts capitalized as exploration and evaluation assets represent costs incurred to date, less write-downs and recoveries, and do not necessarily reflect present or future values.

When options are granted on resource properties or properties are sold, proceeds are reflected as a reduction of the cost of the property. If sale proceeds exceed costs, the excess is reported as a gain in the consolidated statement of comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Impairment of Non-Financial Assets

Impairment of exploration and evaluation assets is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal; no further substantive expenditures are planned; exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered; or indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or by sale.

The recoverable amount is the higher of an asset’s fair value less cost to sell or its value in use. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. Value in use is determined using discounted estimated future cash flows of the relevant asset. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are cash-generating units.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

c) Financial Instruments

Financial assets – Classification

On initial recognition, a financial asset is classified as measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit and loss (“FVTPL”). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Financial Instruments (CONTINUED)

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost, FVOCI, or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.

- Fair value through OCI (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

- Fair value through profit or loss (“FVTPL”): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as other income in the Statement of Comprehensive Income (Loss) in the period in which it arises.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Financial Instruments (CONTINUED)

Financial liabilities

The Company classifies its financial liabilities at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value change to financial liabilities at FVTPL is presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

The following table summarizes the classification of the Company's financial instruments:

Financial assets	
Cash	FVTPL
Investments	FVTPL
Financial liabilities	
Trade and other payables	Amortized cost
Due to related parties	Amortized cost
Loans payable	Amortized cost

d) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Deferred Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred income taxes and liabilities are recognized to reflect the expected deferred tax consequences arising from temporary differences between the carrying value and the tax bases of the deferred tax assets and liabilities and are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. Deferred income tax assets are recognized to the extent that it is probable the asset will be realized.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent it is probable that future taxable profit will allow the deferred tax asset to be recovered.

f) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and the equity portion of a convertible debenture are classified as equity instruments.

The proceeds from the issue of units are allocated between common shares and share purchase warrants based on the residual value method. The fair value of common shares is based on the market closing price on the date the units are issued. Equity instruments issued to agents as financing costs are measured at their fair value at the date of grant. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

g) Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is determined by adjusting the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Share-based Payments

The Company operates an incentive stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued. If it is determined that the fair value of the goods or services cannot be reliably measured, it would then be recorded at the date the goods or services were received. The fair value of share-based compensation is charged to the consolidated statement of comprehensive loss with a corresponding credit recorded to contributed surplus. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

The fair value of options is determined using the Black-Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income (loss) over the remaining vesting period.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense in the consolidated statement of comprehensive income (loss).

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

i) Foreign Currency Translation

The presentation currency and functional currency of the Company and its subsidiaries is the Canadian dollar as this is the principal currency of the economic environment in which they operate. The Company translates transactions in foreign currencies into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the exchange rates in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at historical rates. The resulting exchange gains or losses are recognized in comprehensive income (loss).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical estimates and judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting impairment, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

ii) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iii) Income Taxes

Significant judgment is required in determining the provision for income taxes and the recognition of deferred income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes that they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than any amount recognized as current or deferred taxes.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

iv) Going Concern

As described in Note 1, management uses its judgement in determining whether the Company is able to continue as a going concern.

v) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

vi) Fair valuation of investment

The determinations of fair value of the Company's investments at other than initial cost are subject to certain limitations. Financial information for privately-held company investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions when valuing privately-held investments.

5. INVESTMENT

Stratus Aeronautics Inc.

The Company's investment in Stratus Aeronautics Inc. ("Stratus"), a private company incorporated in Canada, is classified as FVTPL and measured at fair value. The Company acquired 594,000 shares of Stratus on September 22, 2011 pursuant to a transaction to settle a $330,000 loan agreement with Stratus. During the year ended September 30, 2014, the Company wrote down its investment down to its estimated fair value of $1.

During the year end September 30, 2023, the company reassessed the fair value of its investments at $297,000 and recorded a fair valuation gain of $296,999.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

	Nevada Caldera $	Nevada Caldera Extension $	Fortuity 89 $	Total $
Balance at September 30, 2021	1,856,100	1,267	4,036	1,861,403
Exploration costs				
Drilling	142,880	-	-	142,880
Field operations	5,166	-	-	5,166
Geological and geophysical	10,736	-	-	10,736
Office, miscellaneous and travel	15,820	-	-	15,820
Sampling and analysis	94,360	-	-	94,360
	268,962	-	-	268,962
Acquisition of property				
Advance royalty	154,691	-	-	154,691
Claim rental	17,351	-	29,656	47,007
	172,042	-	29,656	201,698
Cost recoveries	(187,969)	-	-	(187,969)
Write-off of exploration and evaluation assets	(2,109,135)	(1,267)	(33,692)	(2,144,094)
Balance at September 30, 2022	-	-	-	-
Acquisition of property				
Claim rental	-	-	10,925	10,925
	-	-	10,925	10,925
Write-off of exploration and evaluation assets	-	-	(10,925)	(10,925)
Balance at September 30, 2023	-	-	-	-

a) Caldera Property (Nevada, USA)

The Company held an interest in the Caldera Gold Property and Fortuity 89 Property through various agreements.

During the year ended September 30, 2022, the Company terminated its option to purchase the Caldera Gold Property and wrote down its exploration and evaluation costs to $nil.

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

b) Fortuity 89 Property (Nevada, USA)

On March 9, 2021 the Company entered into an option and earn-in agreement with Newcrest Resources, Inc., a wholly owned subsidiary of Newcrest Mining Limited on the Fortuity 89 property in Nevada. The Fortuity 89 property, was formerly included in the Caldera Gold Property. During the year ended September 30, 2022, Newcrest terminated its option to earn an interest in the Fortuity 89 Property.

During the year ended September 30, 2022, the Company terminated its option on the Caldera Gold Property, which included Fortuity 89 and wrote down its exploration and evaluation costs to $Nil.

During the year ended September 30, 2023, wrote off expenditures incurred on this property as the Company has no current plans to explore on the property.

The Company retains 100% ownership of 46 claims in the Fortuity 89 area which were outside the area of interest of the option agreement.

7. LOAN PAYABLE

On April 30, 2020, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the amount of $40,000. The CEBA is a government guaranteed loan of up to $40,000 that is interest-free until December 31, 2023. The loan is available to help businesses with operating costs during COVID-19. Twenty-five percent of the loan amount ($10,000) is eligible for forgiveness as long as the business pays back $30,000 on or before January 18, 2024. If the business cannot pay back the loan by January 18, 2024, it can be converted into a 3-year term loan at an interest rate of 5%.

8. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the year ended September 30, 2023, the Company consolidated its share capital on a 10:1 basis. These consolidated financial statements reflect the share consolidation retroactively.

There were no common shares issued during the year ended September 30, 2023 and 2022.

b) Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares without par value. No preferred shares have been issued since the Company's inception.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (CONTINUED)

c) Share Purchase Warrants

A summary of the continuity of the Company's share purchase warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance at September 30, 2021	6,451,206	1.01
Expired	(703,200)	1.07
Balance at September 30, 2022	5,748,006	1.00
Expired	(5,748,006)	1.00
Balance at September 30, 2023	-	-

9. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has an amended and restated Stock Option Plan dated February 22, 2022 (the "Plan"). Because it is a rolling stock option plan, the Company may grant options to a maximum of 10% of the issued and outstanding Common Shares, from time to time, under the Plan. However, share compensation awards under all share compensation arrangements of the Company may not exceed, in aggregate, 10% of the total number of issued and outstanding Common Shares. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees, subject to the price restrictions and other TSX Venture Exchange Policy requirements. Options granted under the Plan are subject to vesting terms determined by the Board.

A summary of the continuity of the Company's stock options is presented below:

	September 30, 2023		September 30, 2022	
	Options Outstanding	Weighted Average Exercise Price ($)	Options Outstanding	Weighted Average Exercise Price ($)
Opening balance	607,500	0.89	507,500	1.04
Granted	-	-	162,500	0.50
Expired/cancelled	-	-	(62,500)	1.04
Ending balance	607,500	0.89	607,500	0.89

On January 31, 2022, the Company granted 162,500 stock options with an exercise price of $0.50 per share expiring January 31, 2027 to directors, employees and consultants.

(Expressed in Canadian Dollars)

9. SHARE-BASED PAYMENTS (CONTINUED)

a) Option Plan Details (CONTINUED)

Details of stock options outstanding and exercisable as at September 30, 2023 and 2022 are as follows:

Expiry Date	Exercise Price ($)	September 30, 2023	September 30, 2022
October 4, 2024	0.75	85,000	85,000
October 22, 2024	0.90	60,000	60,000
August 24, 2025	1.20	270,000	270,000
March 17, 2026	0.65	30,000	30,000
January 31, 2027	0.50	162,500	162,500
	Outstanding	607,500	607,500
	Exercisable	607,500	607,500

b) Fair Value of Options Issued During the Year

The weighted average fair value at grant date of options granted during the year ended September 30, 2022 was $0.30. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	Year ended September 30, 2023	Year ended September 30, 2022
Expected stock price volatility	-	157%
Risk-free interest rate	-	1.64%
Dividend yield	-	-
Expected life of options	-	5 years
Forfeiture rate	-	-

10. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

a) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year ended September 30, 2023, the Company recorded the following to key management personnel:

- $Nil (2022: $30,000) in management fees to a company controlled by the Chief Executive Officer and $89,031 (2022: $78,087) in salaries and benefits to the Chief Executive Officer. As at September 30, 2023, the Company owed $Nil to this Chief Executive Officer (2022 - $5,489).
- $35,499 (2022: $40,632) in salaries and benefits to a Director and Officer of the Company. As at September 30, 2023, the Company owed $Nil to this Director (2022 - $2,481).

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The Company's financial instruments include cash, short-term investments, amounts receivable, investments, trade and other payables, due to related parties, convertible debenture and loans payable. The fair value of these financial instruments approximates their carrying values due to the relative short-term maturity of these instruments.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

	September 30, 2023		September 30, 2022	
	Fair Value $	Carrying Value $	Fair Value $	Carrying Value $
FVTPL assets (i)	386,011	386,011	347,263	347,263
Amortized cost liabilities (ii)	49,663	49,663	58,256	58,256

(i) Cash and investments
(ii) Trade and other payables, due to related parties, loan payable

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - 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 - Inputs for the asset or liability that are not based on observable market data.

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at September 30, 2023	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	89,011	-	-	89,011
Investments	-	-	297,000	297,000

The Company has assessed that the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates.

Credit risk

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts and other receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash and cash equivalents. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash and cash equivalents with high credit chartered Canadian financial institutions. As at September 30, 2023, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payables, amounts due to related parties and loans payable. The Company has working capital of $46,661 as at September 30, 2023 and handles its liquidity risk through the management of its capital structure. All of the Company's financial liabilities are due on demand within one year, do not generally bear interest and are subject to normal trade terms, with the exception of the CEBA loan described in Note 7.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no publicly traded debt and no debt that bears variable interest. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. The Company is exposed to foreign exchange risk because the Company's financial instruments are denominated in both Canadian dollars and US dollars, and all current exploration occurs within the United States.

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can support continued development of its exploration and evaluation assets, pursue the acquisition and exploration of other mineral interests, and to maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

The Company considers items included in equity to be capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, option its properties for cash from optionees, enter into joint venture arrangements, return capital to its shareholders or adjust the amount of cash.

13. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with all current exploration activities being conducted in the United States:

	September 30, 2023			September 30, 2022		
	Canada $	**USA $**	**Total $**	**Canada $**	**USA $**	**Total $**
Current assets	96,324	-	96,324	358,012	-	358,012
Investment	297,000	-	297,000	1	-	1
Total assets	393,324	-	393,324	358,013	-	358,013

14. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2023	**2022**
Combined statutory tax rate	27%	27%
	$	$
Income tax recovery at combined statutory rate	12,341	(661,430)
Non-deductible expenses and other items	(71,549)	17,794
Change in unrecognized deferred tax assets	59,208	643,634
Income tax expense	-	-

(Expressed in Canadian Dollars)

14. INCOME TAXES (CONTINUED)

Significant components of the Company's unrecognized deferred tax assets are shown below:

	2023	**2022**
Equipment	7,595	7,595
Exploration and evaluation assets	2,803,114	2,800,164
Investments	79,912	160,063
Share issuance costs	11,434	22,909
Non-capital and capital loss carry-forwards	2,333,484	2,185,600
Total deferred income tax assets	5,235,539	5,176,331
Unrecognized deferred tax assets	(5,235,539)	(5,176,331)
Net deferred tax assets	-	-

As at September 30, 2023, the Company has available for deduction against future taxable income non-capital losses of approximately $8,256,000, which will expire between 2029 and 2043. The Company has available for deduction against future taxable capital gains capital losses of approximately $1,200 which can be carried forward indefinitely.