

FOUNDERS METALS INC.

Consolidated Financial Statements

For the years ended August 31, 2023 and 2022

Expressed in Canadian Dollars

Independent Auditor's Report

To the Shareholders of Founders Metals Inc.

Opinion

We have audited the consolidated financial statements of Founders Metals Inc. (the "Company"), which comprise the consolidated statement of financial position as at August 31, 2023 and 2022, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 year 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 is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended August 31, 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.

We have determined that there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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.

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 IFRSs, 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.

MS PARTNERS LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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.

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

MS Partners LLP

MS Partners LLP
Licensed Public Accountants

Toronto, Ontario
December 28, 2023

FOUNDERS METALS INC.

Consolidated Statements of Financial Position
Expressed in Canadian Dollars

As at	August 31 2023	August 31 2022
ASSETS		
Current		
Cash (note 7)	\$ 2,028,169	\$ 969,590
Goods and services tax receivable	85,606	284,798
Prepays and deposits	196,672	14,295
	2,310,447	1,268,683
Non-current		
Equipment (note 4)	554,556	37,390
Exploration and evaluation properties (note 5)	12,112,357	8,587,610
	\$ 14,977,360	\$ 9,893,683
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 889,770	\$ 17,295
	889,770	17,295
EQUITY		
Share capital (note 6)	16,293,446	11,086,539
Option and warrant reserve	1,496,435	629,886
Deficit	(3,702,291)	(1,840,037)
	14,087,590	9,876,388
	\$ 14,977,360	\$ 9,893,683

Approved by the Board of Directors on December 28, 2023

Director (signed by) "Nicholas Stajduhar"

Director (signed by) "John Williamson"

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

FOUNDERS METALS INC.

Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian Dollars

For the years ended	August 31 2023	August 31 2022
Expenses		
Advertising and promotion	\$ 458,437	\$ 208,018
General and administration	247,233	85,110
Management fees	179,500	204,000
Professional fees	101,979	100,633
Project evaluation	-	34,361
Regulatory and filing fees	44,755	22,953
	(1,031,904)	(655,075)
Other income		
Interest income	40,750	16,903
Settlement of flow-through liability	-	184,800
Share based compensation	(871,100)	(32,400)
Net and comprehensive loss for the year	\$ (1,862,254)	\$ (485,772)
Basic and diluted loss per common share	\$ (0.06)	\$ (0.02)
Basic and diluted weighted average number of common shares outstanding	33,852,304	26,217,000

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

FOUNDERS METALS INC.

Consolidated Statements of Changes in Equity
Expressed in Canadian Dollars

	Share capital	Option and warrant reserve	Deficit	Total equity
Balance at August 31, 2021	\$11,090,972	\$ 597,486	\$(1,354,265)	\$10,334,193
Options issued	-	32,400	-	32,400
Share issuance cost	(4,433)	-	-	(4,433)
Net loss	-	-	(485,772)	(485,772)
Balance at August 31, 2022	\$11,086,539	\$ 629,886	\$(1,840,037)	\$ 9,876,388
Shares issued for cash	4,783,000	-	-	4,783,000
Shares issued for property	295,000	-	-	295,000
Share issuance costs	(74,694)	-	-	(74,694)
Share issuance costs – non-cash	(13,536)	-	-	(13,536)
Options issued	-	871,100	-	871,100
Options exercised	26,400	(12,400)	-	14,000
Warrants issued	-	13,536	-	13,536
Warrants exercised	190,737	(5,687)	-	185,050
Net loss	-	-	(1,862,254)	(1,862,254)
Balance at August 31, 2023	\$16,293,446	\$1,496,435	\$(3,702,291)	\$14,087,590

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

FOUNDERS METALS INC.

Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

For the years ended	August 31 2023	August 31 2022
Operating activities		
Net loss for the year	\$ (1,862,254)	\$ (485,772)
Items not affecting cash:		
Settlement of flow-through liability	-	(184,800)
Share based compensation	871,100	32,400
	(991,154)	(638,172)
Changes in non-cash working capital:		
Goods and services tax receivable	199,192	(199,343)
Prepayments and receivables	(182,377)	49,747
Accounts payable and accrued liabilities	192,869	(165,085)
Cash used in operating activities	(781,470)	(952,853)
Investing activities		
Equipment (note 4)	(583,793)	-
Exploration and evaluation property exploration acquisition, net (note 5)	(598,319)	-
Exploration and evaluation property exploration expenditures, net (note 5)	(1,885,195)	(1,365,763)
Cash used in investing activities	(3,067,307)	(1,365,763)
Financing activities		
Proceeds from private placements (note 6)	4,783,000	-
Proceeds from options exercised (note 6)	14,000	-
Proceeds from warrants exercised (note 6)	185,050	-
Cash share issuance costs (note 6)	(74,694)	(4,433)
Cash provided by financing activities	4,907,356	(4,433)
Net increase (decrease) in cash	1,058,579	(2,323,049)
Cash, beginning of the year	969,590	3,292,639
Cash, end of the year	\$ 2,028,169	\$ 969,590

As at August 31, 2023, \$679,606 exploration and evaluation property expenditures are included in accounts payable and accrued liabilities (2022 – \$nil).

During the year ended August 31, 2023, the Company capitalized amortization of \$66,627 (2022 - \$16,024) as exploration and evaluation expenditures to the exploration and evaluation properties.

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

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Notes to the Consolidated Financial Statements
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1. Nature of operations

Founders Metals Inc. ("Founders" or the "Company") was incorporated under the Canada Business Corporations Act on April 6, 2000. The Company's common shares are listed for trading on the TSX Venture Exchange under the trading symbol "FDR", on the Frankfurt Stock Exchange under the trading symbol "9DLO", and on the OTCQX Markets under the trading symbol "FDMIF". The address of the Company's corporate office and principal place of business is 250 Southridge NW, Suite 300, Edmonton, AB, T6H 4M9. The Company's registered office is Suite 780 - 1111 West Hastings Street, Vancouver, BC V6E 2J3. The Company's principal business is to explore and develop the gold and mineral exploration Antino Gold Project located in Suriname.

The mineral property is located in Canada and in the exploration stage and, based on information to date, does not yet have economically recoverable reserves. The recoverability of the amounts shown on the balance sheets for the mineral property and related deferred costs is dependent upon the existence of economically recoverable reserves, maintaining beneficial interest in the property and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability to obtain the necessary financing to fulfill its obligations as they arise, the ability to complete the development of the claims, and achieving profitable production or the proceeds from the disposition of the property.

2. Basis of presentation

These consolidated financial statements of the Company comply 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 were authorized for issue by the Board of Directors of the Company on December 28, 2023.

These consolidated financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Significant management estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised. The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include:

Estimates and assumptions

Share-based compensation and non-cash share issuance costs

The Company measures the cost of equity-settled transactions with employees and consultants 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

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terms and conditions of the grant. The fair values of share-based compensation and non-cash share issuance costs relating to the issuance of agents' warrants and stock options are determined using the Black-Scholes Option Pricing Model based on estimated fair values at the date of grant. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility, expected dividend yield and expected life of the equity instruments. Changes in these assumptions can significantly affect the fair value estimates.

Judgments

Deferred taxes

The Company recognizes the deferred tax benefit related to deferred tax assets to the amount that is probable to be realized. Assessing the recoverability of deferred tax assets requires management to make significant judgments in connection with future taxable profits. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

Exploration and evaluation assets

The recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty. Management concluded that there is a remote material uncertainty exists, however, its potential impact and likelihood of occurrence is such that, in the management's judgment, the financial statements are appropriately presented on a going concern basis.

b) Cash

Cash is comprised of cash on hand and cash on deposit with the Company's financial institution on which it earns variable amounts of interest.

c) Financial instruments

The classification of a financial asset or liability is determined at the time of initial recognition. The Company does not enter into derivative contracts.

Financial assets

A financial asset is recognized when the Company has the contractual right to collect future cash flows. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recognized at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost.

Receivables are initially recognized at their fair value, less transaction costs and subsequently carried at amortized cost using the effective interest method less impairment losses.

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Financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method. Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the consolidated statements of loss and comprehensive loss.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments. In applying this forward-looking approach, the Company separates instruments into the below categories:

1. financial instruments that have not deteriorated significantly since initial recognition or that have low credit risk.
2. financial instruments that have deteriorated significantly since initial recognition and whose credit loss is not low.
3. financial instruments that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

The Company assesses at each reporting date whether there is evidence that a financial asset or a group of financial assets is impaired. Evidence of impairment may include indications that a counter party is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and when indicators suggest that there are measurable decreases in the estimated future cash flows.

The Company did not recognize any impairment of financial assets during the year ended August 31, 2023.

d) Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss. Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates enacted or substantively enacted at the balance sheet date.

Deferred income taxes are recorded using the liability method where by deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date.

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Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to the 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 that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

e) Exploration and evaluation assets

Exploration and evaluation property acquisition costs and exploration costs directly related to specific properties are capitalized as exploration and evaluation assets and are classified as intangible assets, commencing on the date that the Company acquires legal rights to explore a property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. Exploration costs may include costs such as materials used, surveying costs, drilling costs, payments made to contractors, analyzing historical exploration data, geophysical studies, and depreciation on equipment used during the exploration stage. All other costs, including administrative overhead are expensed as incurred. If the properties are put into commercial production, the capitalized costs of the related property are reclassified as mining assets, which will be depleted using the units of production basis based upon the proven reserves available. If the properties are sold or abandoned, these expenditures will be written off.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of a value in use and fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties.

f) Impairment of non-financial assets

Management assesses the exploration and evaluation assets and property and equipment for impairment at least annually and whenever factors or circumstances indicate that the carrying amount may not be recoverable. For exploration and evaluation assets, examples of such facts and circumstances are as follows:

1. the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
2. substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
3. exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
4. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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If, after management review, it is determined that the carrying amount of an asset is impaired, that asset is written down to its estimated recoverable amount. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and its value in use. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

g) Government assistance

The Company may be eligible to receive grants pursuant to the New Brunswick Junior Mining Assistance Program for certain exploration expenditures incurred in New Brunswick. The receipt of any grants are treated as a reduction of exploration and evaluation expenditures of the respective mineral property and are recorded when it is probable the Company will receive the grants. During the year ended August 31, 2023, the Company received a grant of \$18,000 (2022 - \$18,000).

h) Loss per share

Loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding stock options and warrants. In the periods when the Company reports a net loss, the effect of potential issuances of shares under stock options and warrants is anti-dilutive. When diluted earnings per share is calculated, only those stock options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

During the years ended August 31, 2023 and August 31, 2022, all the outstanding stock options and warrants were anti-dilutive as the Company reported a net loss.

i) Share-based payments

Share-based payments related to the issuance of stock options to employees and others providing similar services pursuant to the Company's stock option plan, is measured at grant date, for using the fair value method whereby compensation expense is recorded in profit or loss with a corresponding increase to option and warrant reserve in equity. Share-based payments related to warrants and options issued to non-employees are measured at the fair value of the goods or services received using the graded vesting method. When the value of goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. Consideration paid on the exercise of stock options and warrants is recorded as an increase to share capital. Upon the exercise of the stock options or compensation warrants, consideration received together with the amount previously recognized in option and warrant reserve is recorded as an increase to share capital. The Company incorporates an estimated forfeiture rate for stock options that may not vest.

The Company recognizes share issue costs for the fair value of agents' warrants issued as finder's fees in connection with private placements. The fair value calculated is recorded as share issue costs with a corresponding credit to contributed surplus. The Company uses the Black-Scholes option pricing model to determine the fair value of the warrants issued.

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j) 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 of time value of money 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. When some or all the economic benefits required settling a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

k) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

l) Equipment

The cost of an equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs. Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as repairs and maintenance.

Amortization is calculated over the useful life of the asset at rates ranging from 15% to 30% per annum once the asset is available for use. Amortization charges on assets that are directly related to mineral properties are allocated to that mineral property.

m) Flow-through shares

The Company may, from time to time, issue flow-through shares to finance a portion of its Canadian exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date to the extent that a premium exists. The equity portion is measured at the market value and the residual premium is allocated as a liability. The liability is recorded at the fair value of the obligation to renounce the expenditures that the issuer has incurred. This is effectively the "premium" the investor attributes to a flow-through share versus an ordinary share.

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When the expenditures are incurred, provided there is an expectation that the expenditures will be renounced, the Company reduces the deferred flow-through liability and records a recovery on settlement of flow-through liability. Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian resource property exploration expenditures within a two-year period. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense.

n) Adoption of new accounting standards

Standards and amendments issued but not yet effective or adopted

IAS 16 - Property, Plant and Equipment ("IAS 16") was amended to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant, and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. No material impact on the Company's financial statements is expected to arise from this change.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. There are no other standards/amendments or interpretations that are expected to have a significant effect on the consolidated financial statements of the Company.

4. Equipment

During the year ended August 31, 2021, the Company purchased a vehicle for \$62,840 and recorded amortization of \$9,426. During the year ended August 31, 2023, the Company recorded amortization of \$37,390 (2022 - \$16,024) which was capitalized to exploration and evaluation properties. As at August 31, 2023, the vehicle was fully amortized.

During the year ended August 31, 2023, the Company purchased drills and field equipment for a total of \$583,793 and recorded amortization of \$29,237 which was capitalized to exploration and evaluation properties.

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5. Exploration and evaluation properties

Antino Gold Project

The Antino Gold Project is a resource definition stage gold exploration project located in southeastern Suriname, within the Guiana Shield Gold Belt. The project is approximately 275 km from the capital city of Paramaribo and is accessible by air to the Antino Camp airstrip or by barge along the Maroni/Lawa River bordering French Guiana. The 238 square kilometer property holds Rights to the Exploitation of Gold (Suriname mining titles), and all necessary permits for exploration, drilling, and mining have been obtained.

On March 21, 2023, the Company completed the acquisition (the "Acquisition") from Orea Mining Corp. ("Orea") of the option (the "Option") to acquire up to 75% of the Antino Gold Project (the "Project") in Suriname from Nana Resources N.V. Pursuant to an assignment agreement (the "Assignment Agreement") signed on March 17, 2023, Orea assigned to the Company all of its option, rights, and obligations pursuant to an existing option agreement (the "Option") with Nana Resources N.V. ("Nana") dated March 16, 2022 to acquire up to 75% of the shares in the capital of Lawa Gold N.V. ("Lawa") which is the registered owner of 100% of the Project (the "Assignment"). To acquire the Option, the Company paid Orea \$500,000 cash and issued 1,000,000 common shares of the Company.

The Option to acquire up to 75% ownership of the Project and become operator of the Project under the Assignment Agreement and Option Agreement is completed in three stages:

- a) Option to acquire an initial 51% interest in the Project within three years of the Commencement Date by:
- making cash payments totaling USD 1,650,000;
 - issuing common shares of the Company having a value of \$323,000;
 - incurring a minimum of USD 6,000,000 in exploration expenses; and
 - completing a geological technical report prepared in accordance with National Instrument 43-101, containing a minimum of 500,000 oz Au in any category.

As at the date of these financial statements and subsequent to the year end, the Company has made cash payments in the amount of USD 100,000, issued 1,475,000 common shares at a price of \$0.20 and incurred exploration expenditures of approximately USD 3,300,000 on the Antino Gold Project.

- b) Option to acquire an additional 19% interest in the Project, for a total of 70%, within two years of completion of the First Option Stage by:
- making cash payments totaling USD 1,500,000;
 - issuing common shares of the Company having a value of \$19,000;
 - incurring a minimum of USD 10,000,000 in exploration expenses; and
 - completing a preliminary economic assessment technical report prepared in accordance with National Instrument 43-101.

In the event that the Company does not proceed with the completion of the Second Option Stage, the Company will transfer its interest in the Project back to the optionor.

- c) Option to acquire an additional 5% in the Project, for a total of 75%, within three years of completion of the Second Option Stage by:
- incurring a minimum of USD 10,000,000 in exploration expenses; and
 - completing a bankable feasibility study prepared in accordance with National Instrument 43-101.

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Upon successful earn-in of the Project, the Company and the optionor, Nana, will form a joint venture with the objective of accelerating the project into commercial production.

Elmtree Gold Project

On February 26, 2021, the Company acquired the Elmtree Gold Project, a mineral exploration property comprised of two mineral exploration properties respectively comprised of 24 and 25 contiguous mineral claims totaling 1,063,326 hectares in northeast New Brunswick. To acquire the property, the Company paid \$350,000 cash to the vendor and issued 14,000,000 common shares of the Company with an estimated fair value of \$0.45 per share for a total consideration of \$6,650,000. The vendor retains a 2% net smelter royalty. The Company also paid an arm's length third party a finders' fee of 200,000 common shares of the Company with an estimated fair value of \$0.45 per share. Transaction costs of \$27,103 are included in acquisition cost. On completion of this transaction, the four vendors of the property became the directors of the Company.

Summary of costs

Total costs incurred by the Company on its Exploration and Evaluation Properties are summarized as follows:

	Elmtree	Antino Gold	Total
Balance, August 31, 2021	\$ 7,205,823	\$ -	\$ 7,205,823
Amortization	16,024	-	16,024
Assays and analysis	297,410	-	297,410
Community relations	14,677	-	14,677
Drilling	567,020	-	567,020
Fieldwork	108,342	-	108,342
General and administrative	34,956	-	34,956
Geological consulting	267,536	-	267,536
Grants received	(18,000)	-	(18,000)
Travel and support	93,822	-	93,822
Balance, August 31, 2022	\$ 8,587,610	\$ -	\$ 8,587,610
Acquisition	-	893,319	893,319
Airborne survey	-	36,590	36,590
Amortization	37,390	29,237	66,627
Assays and analysis	-	156,701	156,701
Claims	490	90	580
Drilling	-	828,245	828,245
Fieldwork	626,753	10,744	637,497
Freight	-	217,646	217,646
Geological consulting	38,968	354,960	393,928
Overhead and management fees	1,000	34,549	35,549
Rentals	-	16,215	16,215
Travel and support	12,384	229,466	241,850
Balance, August 31, 2023	\$ 9,304,595	\$ 2,807,762	\$ 12,112,357

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6. Share capital

a) Common shares

On February 25, 2021, the Company consolidated all its issued and outstanding common shares based on one post-consolidation common share for every 4.9362 pre-consolidation common shares. All share data and equity-based instruments have been retroactively adjusted to give effect to the consolidation.

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
Balance at August 31, 2021	26,217,000	\$ 11,090,972
Share issuance cost	-	(4,433)
Balance at August 31, 2022	26,217,000	\$ 11,086,539
Shares issued in private placements	19,665,000	4,783,000
Shares issued to acquire property (note 5)	1,475,000	295,000
Options exercised	40,000	26,400
Warrants exercised	393,750	190,737
Share issuance costs	-	(74,694)
Share issuance costs – Non-cash	-	(13,536)
Balance at August 31, 2023	47,790,750	\$ 16,293,446

On August 28, 2023, the Company completed a non-brokered private placement by issuing 4,250,000 common shares of the Company at a price of \$0.40 per share for gross proceeds of \$1,700,000. The Company paid no commission or fees on the investment and all the securities issued in connection with the Private Placement are subject to a hold period expiring four months and a day from the date of issuance.

On March 21, 2023, the Company completed a non-brokered private placement by issuing 15,415,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$3,083,000. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.35 for a period of two years from the date of issuance. The Company paid finders fees of \$34,475 and issued 193,375 finders' warrants, each exercisable to acquire one common share at \$0.20 per share for a period of 24 months from the date of issue. The \$13,536 fair value of the finders' warrants were determined using the Black Scholes Option Pricing Model.

On March 21, 2023, the Company issued 1,000,000 common shares to Orea Mining and 475,000 common shares to Nana Resources as part of the property acquisition (Note 5).

Escrowed common shares

Upon closing of the transaction on February 26, 2021, 14,049,867 common shares of the Company are subject to a Tier 2 Value Escrow Agreement. Under the Tier 2 Value Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months

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following the Initial Release. As of the date of these financial statements, 4,214,960 common shares remained in escrow.

b) Stock options

The Company's has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

A summary of stock option activity in the periods is as follows:

	Number of options	Weighted average exercise price
Outstanding options, August 31, 2021	1,266,162	\$ 0.50
Issued	162,000	0.75
Outstanding options, August 31, 2022	1,428,162	\$ 0.53
Issued	2,810,000	0.35
Exercised	(40,000)	0.35
Expired	(91,162)	0.50
Outstanding options, August 31, 2023	4,107,000	\$ 0.41

A summary of stock options outstanding and exercisable is as follows:

August 31, 2023			August 31, 2022		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
\$ -	-	-	\$ 0.50	91,162	0.5
0.50	1,175,000	2.5	0.50	1,175,000	3.5
0.75	162,000	3.3	0.75	162,000	4.3
0.35	2,770,000	4.7	-	-	-
\$ 0.41	4,107,000	4.0	\$ 0.53	1,428,162	3.4

- i. On April 28, 2023, the Company granted stock options to acquire up to an aggregate 2,810,000 common shares of Company under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$0.35 per common share and have an expiry date of April 28, 2028 or earlier in accordance with the terms of the Plan. The estimated fair value of these options of \$871,100, or \$0.31 per option, has been recorded as share-based compensation expense during the year ended August 31, 2023 and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: weighted average grant date stock price \$0.40; expected life, 5 years; expected volatility, 100%; risk-free rate, 3.08%; expected dividends, 0%. The expected volatility was determined by reference to the historical volatility of comparable public companies. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

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c) Warrants

The Following is a summary of the changes in the Company's warrants during the periods:

	Number of options	Weighted average exercise price
Outstanding warrants, August 31, 2021	8,041,398	\$ 0.73
Expired	(200,000)	0.75
Outstanding warrants, August 31, 2022	7,841,398	\$ 0.73
Issued	7,900,875	0.35
Exercised	(393,750)	0.32
Expired	(664,400)	0.51
Outstanding warrants, August 31, 2023	14,684,123	\$ 0.54

A summary of the warrants outstanding and exercisable is as follows:

Exercise Price	Number of warrants	August 31, 2023 Remaining contractual life (years)	Exercise Price	Number of warrants	August 31, 2022 Remaining contractual life (years)	
\$ -	-	-	\$ 0.50	100,000	0.2	i
0.75	7,176,998	1.5	0.75	7,176,998	0.5	
-	-	-	0.50	406,000	0.5	
-	-	-	0.55	158,400	0.5	
0.35	7,395,000	1.6	-	-	-	ii
0.20	112,125	1.6	-	-	-	
\$ 0.54	14,684,123	1.5	\$ 0.73	7,841,398	0.5	

- i. Effective February 25, 2023, the Company has extended the expiry date of 7,177,000 common share purchase warrants issued on February 26, 2021 having an exercise price of \$0.75 per common share, extending the expiry date from February 26, 2023 to February 26, 2025.
- ii. On March 21, 2023, 193,375 warrants were issued to agents pursuant to the non-brokered private placement as compensation for services provided by the agents. The estimated fair value of the agents' warrants of \$13,536, or \$0.07 per agents' warrant, has been recorded as a decrease to share capital as a cost of share issuance during the year ended August 31, 2023 and an increase to option and warrant reserve, and was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$0.20; expected life, 2 years; expected volatility, 55.82%; risk free rate, 3.70%; expected dividends, 0%.

d) Restricted Share Units

On April 28, 2023, the Company granted 2,575,000 RSUs to Eligible Persons of the Company under its RSU Plan, which will not vest until April 28, 2024.

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7. Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - 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.

The Company's cash and cash equivalents are classified as Level 1, whereas accounts receivable and prepayments, and accounts payable and accrued liabilities are classified as Level 2. As at August 31, 2023, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at August 31, 2023, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

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Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	August 31, 2023	August 31 2022
Financial assets at amortized cost		
Cash	\$ 2,028,169	\$ 969,590
Goods and services tax receivable	85,606	284,798
	\$ 2,113,775	\$ 1,254,388

Financial liabilities included in the statement of financial position are as follows:

	August 31, 2023	August 31 2022
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	\$ 889,770	\$ 17,295
	\$ 889,770	\$ 17,295

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

8. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the years ended	August 31, 2023	August 31, 2022
Management fees paid to key management and directors	\$ 168,000	\$ 204,000
Management fees paid to companies controlled by directors, officers - capitalized to exploration and evaluation assets	158,000	48,000
Advertising and promotion fees paid to a director	120,000	120,000
	\$ 446,000	\$ 372,000

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9. Income taxes

For the years ended	August 31 2023	August 31 2022
Loss before income taxes	\$(1,862,254)	\$ (485,722)
Statutory rate	27%	27%
Expected income tax recovery at statutory tax rates	502,809	131,158
Non-deductible items	(243,076)	(8,748)
Impact of flow-through shares	-	49,896
Other	4,034	1,197
Change in unrecognized deductible temporary differences	(263,767)	(173,503)
	\$ -	\$ -

Details of the Company's recognized deferred tax assets and liabilities are as follows:

As at	August 31 2023	August 31 2022
Non-capital losses	\$ (1,075,732)	\$ 627,742
Valuation allowance	1,075,732	(627,742)
Net deferred tax assets and liabilities	\$ -	\$ -

At August 31, 2023, the Company has Canadian non-capital losses of approximately \$4 million that expire in the years 2026 to 2041.

10. Subsequent events

On October 6, 2023, the Company granted 950,000 stock options to certain directors, officers, and consultants of the Company. The stock options are exercisable at \$0.80 per share with a 5-year term and vest immediately.

On November 28, 2023, the Company closed a private placement of 7,187,500 common shares of the Company at a price of \$0.80 per common share for aggregate gross proceeds of \$5,750,000 (the "Offering"). In connection with the Offering, the Company paid a cash fee of \$345,000 and a cash finder's fee of \$3,000.